

An aerial photograph of a city, likely Los Angeles, with a semi-transparent blue overlay. The image shows a dense urban area with various buildings and streets.

# Chapter 3

*Housing Constraints, Resources, and  
Affirmatively Furthering Fair Housing*





## Housing Constraints

A variety of factors could affect the number, type, and affordability of housing and housing development in a community. Governmental housing constraints are often specific to the requirements and regulations local governments enforce. Governmental constraints in Costa Mesa may include land use controls, residential development standards, development and permitting fees, and permitting processes, amongst other constraints. Nongovernmental and market constraints are directly related to the conditions of the local and regional construction and the development market. Nongovernmental constraints in Costa Mesa may include the cost of land, construction costs, including materials and labor, availability of financing, and the local economic conditions. These factors could incentivize or create barriers for the maintenance and addition of housing in Costa Mesa, and predominantly affordable housing. The focus of this section is recognizing the existing constraints. The following sections will analyze the extent of each constraint on housing development.

### A. Nongovernmental Constraints

Nongovernmental constraints are those associate with external market costs and rely predominantly on the economy and cost of land and construction. The availability and cost of land, labor costs, as well as financing, may pose barriers for housing developers and can often deter the development of housing, specifically affordable housing. The following sections highlights the primary market factors that affect the production of housing in Costa Mesa.

#### 1. Land Costs and Construction Costs

Construction costs vary widely according to the type of development, with multi-family housing generally less expensive to construct than single-family homes due to square footage. However, there is wide variation within each construction type, depending on the size of the unit and the number and quality of amenities provided. An indicator of construction costs is Building Valuation Data compiled by the International Code Council (ICC). The ICC updates the estimated cost of construction at six-month intervals and provides estimates for the average cost of labor and materials for typical Type V-A wood-frame housing. Estimates are based on “good-quality” construction, providing for materials and fixtures well above the minimum required by state and local building codes. In August 2020, the ICC estimated that the average per square-foot cost for good-quality housing was approximately \$118.57 for multi-family housing, \$131.24 for single-family homes, and \$148.44 for residential care/assisted living facilities. Construction costs for custom homes and units with extra amenities, run even higher. Construction costs are also dependent upon materials used and building height, as well as regulations set by the City’s adopted Building Code. For example, according to the ICC, an accessory dwelling unit (ADU) or converting a garage using a Type V-B wood framed unit would costs about \$123.68 per square foot. Although construction costs are a significant portion of the overall development cost, they are typically consistent throughout the region and, especially when considering land costs, are not considered a major constraint to housing production in Costa Mesa.





Land costs can also pose a significant constraint to the development of affordable and middle-income housing and represents a significant cost component in residential development. Land costs may vary depending on whether the site is vacant or has an existing use that must be removed. Similarly, site constraints such as environmental issues (e.g., steep slopes, soil stability, seismic hazards, flooding, and contamination) can also be factored into the cost of land. A September 2020 web search for vacant lots for sale in the City of Costa Mesa returned three lots for sale ranging in size from 0.23 acres at \$749,000 to 1.03 acres at \$2,000,000. Based on current prices of for sale lots, the vacant lots cost an estimated average price per square foot of \$68, or about 2.9 million dollars per acre.

Costa Mesa has the lowest cost of land in comparison to the neighboring cities of Santa Ana, Huntington Beach, and Irvine, based on an October 2020 Zillow search for vacant lots. The cost of land in these cities range from \$73 per square to \$304 per square foot. However, the cost of land in Costa Mesa is still very expensive and though it is consistent with neighboring jurisdictions and the region, it may create a constraint to the development of housing, specifically affordable housing. The City cannot control the cost of land in Costa Mesa or the region, however **Chapter 4** of this Housing Element outlines programs and policies to work with developers and interested parties to increase affordable housing options in the City.

## 2. Available Financing

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in a community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to such loans. Additionally, availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. The primary concern in a review of lending activity is to determine whether home financing is available to all residents of a community, regardless of income, sex, race, or ethnicity. The data presented in this section include the disposition of loan applications submitted to financial institutions for home purchase, home improvement, and refinancing in the Anaheim-Santa Ana-Irvine MSA.

**Table 3-1** below displays the disposition of loan applications for the Anaheim-Santa Ana-Irvine MSA, per the 2016 Home Mortgage Disclosure Act report. According to the data, applicants in the 120% MSA/MD median income or more had the highest rates of loans approved. Of that income category, applicants who reported White had the highest percentage of approval and the number of applications. Applicants in the less than 50% of the MSA/MD median income categories were showed higher percentages of denied loans than loans originated. According to the data, applicants who reported white were, on average, more likely to be approved for a loan than another race or ethnicity.

Given the relatively high rates of approval for home purchase, improvement, and refinance loans, home financing is generally available and not considered to be a significant constraint to the provision and maintenance of housing in Costa Mesa.



Table 3-1: Disposition of Loan Applications by Race/Ethnicity– Anaheim-Santa Ana-Irvine MSA

Applications by Race/Ethnicity	Percent Approved	Percent Denied	Percent Other	Total (Count)
<b>LESS THAN 50% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	26.2%	52.3%	23.1%	65
Asian	33.9%	42.5%	26.7%	1,382
Black or African American	41.6%	33.7%	25.8%	89
Native Hawaiian or other Pacific Islander	25.0%	44.2%	30.8%	52
White	45.6%	31.2%	26.1%	5,240
Hispanic or Latino	37.9%	38.2%	26.8%	1,566
<b>50-79% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	38.1%	34.0%	29.9%	97
Asian	53.3%	25.3%	29.4%	3,153
Black or African American	43.4%	19.1%	41.4%	152
Native Hawaiian or other Pacific Islander	49.4%	39.8%	16.9%	83
White	54.5%	23.3%	27.6%	8,677
Hispanic or Latino	47.6%	27.7%	29.3%	3,245
<b>80-99% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	51.4%	25.7%	31.4%	35
Asian	59.5%	19.2%	29.3%	1,495
Black or African American	52.9%	22.1%	30.9%	68
Native Hawaiian or other Pacific Islander	43.5%	13.0%	43.5%	23
White	61.9%	17.2%	26.1%	3,873
Hispanic or Latino	54.0%	21.4%	29.1%	1,347
<b>100-119% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	48.9%	22.7%	29.5%	88
Asian	62.3%	15.6%	28.8%	4,820
Black or African American	55.6%	20.1%	28.6%	234
Native Hawaiian or other Pacific Islander	49.4%	27.6%	31.0%	87
White	66.2%	13.8%	25.1%	12,607
Hispanic or Latino	60.8%	16.4%	26.8%	3,398
<b>120% OR MORE OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	59.2%	13.0%	32.0%	169
Asian	62.8%	12.9%	29.0%	17,800
Black or African American	57.7%	17.3%	27.2%	624
Native Hawaiian or other Pacific Islander	64.2%	11.4%	26.8%	254
White	68.3%	11.3%	24.9%	49,811
Hispanic or Latino	64.6%	13.3%	26.7%	6,095
<i>Source: Consumer Financial Protection Bureau, Disposition of loan applications, by Ethnicity/Race of applicant, 2019.</i>				





### 3. *Economic Constraints*

Market forces on the economy and the trickle-down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. It is estimated that housing price and development costs will continue to increase in the City and the region. Moving into 2020, the economy was growing, California was seeing a 1.6 percent growth in jobs from 2019 and experiencing all-time lows for unemployment rates. COVID-19 had stalled much of the economy in early 2020, however, as the California economy regains momentum, housing stock and prices in the Costa Mesa community remain stable. A housing market analysis by Redfin reports the number of homes sold in August 2020 experienced a 16.1% growth in year-over-year trends and over doubled since the low in May 2020. The same report shows that the median sale price of homes in Costa Mesa is the largest it has been in five years, except for a peak in February 2021; the median number of days on the market was 41 in August 2020 in contrast to 86.5 in at the start of the year.

A 2020 California Association of Realtors (CAR) report found that homes on the market in Orange County experienced a 10.2 percent year to year increase and cost an average of \$915,000 in September 2020; over \$250,000 higher than the Southern California median home price in the same month (\$656,750). According to the CAR First Time Buyer Housing Affordability Index, the median value of a home in Orange County is \$730,150 with monthly payments (including taxes and insurance) of \$3,690, requiring an average qualifying income of \$110,700.

Costa Mesa's home value index (\$881,064), which includes single-family residences and condos, has been on a steady increase since Spring 2012, according to Zillow data from September 2020. According to Zillow, this value is seasonally adjusted to remove outliers and only includes the middle price-tier of homes. Costa Mesa home values have gone up 4.9 percent over the past year and Zillow predicts they will rise 4.8 percent within the next year. Orange County by comparison has a median home value index of \$775,797, which is \$105,267 less than Costa Mesa. Due to the high costs and increasing values, the cost of land and home prices in Costa Mesa may be considered a constraint to the development of and access to housing, particularly affordable housing.

## B. Governmental Constraints

In addition to market constraints, local policies and regulations also affect the price and availability of housing and the provision of affordable housing. For example, State and Federal regulations affect the availability of land for housing and the cost of housing production, making it difficult to meet the demand for affordable housing and limiting supply in a region. Regulations related to environmental protection, building codes, and other related topics have significant, often adverse, impacts on housing cost and availability.

While the City of Costa Mesa has no control over State and Federal Laws that affect housing, local laws including land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other factors can constrain the maintenance, development, and improvement of housing as well as, create barriers to housing development.



## 1. Land Use Controls

Cities in California are required by Law to prepare a comprehensive, long term General Plan to guide future development. The Land Use Element of the General Plan establishes permitted land uses and development density throughout the City of Costa Mesa. These land uses provide for a wide variety of housing types throughout the City, while also ensuring compatibility between neighboring uses. The following lists the land uses that permit residential developments and the maximum allowable density:

- **Low-Density Residential:** 8 dwelling units per acre
- **Medium-Density Residential:** 12 dwelling units per acre
- **High-Density Residential:** 20 dwelling units per acre
- **Commercial-Residential:** 12 to 17.4 dwelling units per acre
- **Urban Center Commercial:** 20 dwelling units per acre / 80 dwelling units per acre
- **Multi-Use Center:** 6 dwelling units per acre / 40 dwelling units per acre

### Overlay Districts

Overlay districts are created in order to incentivize particular development types in an area and/or to implement a Master Plan's strategies and goals. Overlay districts are applied to the Zoning Map and provide a development option in addition to the underlying zoning regulations as they often require stricter and/or more specific standards. An overlay district could also be created to administer the goals of a Master Plan. There are four overlay districts in Costa Mesa, which are detailed below.

### Residential Incentive Overlay

The Residential Incentive Overlay District is intended to create opportunities for residential development at strategic locations along Harbor Boulevard and Newport Boulevard. The designation allows for development of new higher-density residential uses in areas where limited residential with lower densities are currently allowed. Small-lot single-family subdivisions are also appropriate in the designated areas. The Residential Incentive Overlay also expands development opportunities on residential and commercial properties which are not currently developed to their full potential or supporting outdated buildings and underperforming uses.

The following are required for developments in the Residential Incentive Overlay District:

Residential Incentive Development Plan Screening Application – To provide initial feedback to developers, all residential and development projects proposed in this district must submit a screening application for review and approval by the City Council.

Master Plan – All developments proposed in this district require approval of a master plan by the Planning Commission. The master plan must be consistent with the General Plan and meet the intent and purpose of the overlay district. The project must include adequate resident-serving amenities in the common open space areas and private open space area; this may include patios, balconies, roof terraces, walkways, and landscaped areas. The project must be consistent with the compatibility standards for residential development in that it provides adequate protection for residents from excessive noise, odors, vibration, light and glare, and toxic emanations. The residences must have adequate separation and screening from





adjacent commercial uses through site planning considerations, structural features, landscaping, and perimeter walls.

Development Standards – This overlay designation allows for developments that meet the following:

- **Minimum Lot Area:** 0.5 acres
- **Maximum Height:** 4 stories (not including permitted roof top terraces)
- **Maximum Density:** 40 units per acre
- **Minimum Open Space:** 40% of total site area
- **Common Open Space:** 50% of required open space. Recreational facilities for children are required for residential projects with 12 or more units.
- **Front Setback:** 20 feet
- **Side Setback:** 20 feet (30 feet minimum for 4-story developments abutting R2-MD zones)
- **Rear Setback:** 20 feet (30 feet minimum for 4-story developments abutting R2-MD zones)

### *SoBECA Mixed-Use Overlay*

The SoBECA Overlay District establishes provisions for mixed-use development, including live/work development, in the 39-acre SoBECA plan area (located west of the Costa Mesa Freeway, east of the Corona Del Mar Freeway, and south of the San Diego Freeway). This overlay district allows for high-density residential developments with a maximum unit cap and is intended to allow a mix of housing, eclectic retail/services, creative studios, and entertainment/restaurant uses that attract local residents and visitors.

Development Standards – This overlay designation allows for developments that meet the following:

- **Maximum Density:** 40 units per acre
- **Maximum Residential Cap:** 450 units within the SoBECA Urban Plan

### *Harbor Mixed-Use Overlay*

The Harbor Mixed-Use overlay district applies to select areas along Harbor Boulevard and between Wilson Street and 19<sup>th</sup> Street. The district is intended to introduce a diverse mix of uses to create a more integrated, walkable, and complementary balance of creative commercial and office spaces, neighborhood-serving retail and commercial services, and residential uses along the southern portion of Harbor Boulevard that intersects 19<sup>th</sup> Street. Since this overlay applies to a commercial corridor and is considered an extension of the 19 West Urban Plan (see below), Live/Work developments are not permitted in this overlay district. The provisions of the 19 West Urban Plan applies to the overlay district.

Development Standards – This overlay designation allows for developments that meet the following:

- **Maximum Density:** 20 units per acre
- **Maximum FAR:** 1.25 for commercial and residential mixed uses
- **Maximum Building Height:** 4 stories



### *Westside Urban Plans*

In 2005, the City of Costa Mesa approved three strategies based on the Westside Revitalization Oversight Committee's (WROC) Final Report and Implementation Plan. Together these strategies make up the Westside Urban Plans and include the following three urban plans and their individual goals:

19 West Urban Plan – Improve the Urban Plan area by providing visual enhancement and facilitating development of mixed-use urban villages along the specified areas of West 17<sup>th</sup> Street, West 19<sup>th</sup> Street, and Superior Avenue.

Mesa West Bluffs Urban Plan – Improve the Urban Plan area by providing visual enhancement and encouraging the development of live/work units or residential development within the plan area.

Mesa West Residential Ownership Urban Plan – Encourage the development of new owner-occupied condominiums and clustered homes by allowing a higher density than currently zoned.

These plans aim to attract investments and improvements to the west side of Costa Mesa and avoids strict architectural guidelines to welcome flexible projects. These three plans provide a framework for major private market reinvestment and improvements for the Westside.

## **2. State Density Bonus Law**

Density bonuses are another way to increase the number of dwelling units allowed in a residentially zoned area. The City of Costa Mesa does not have its own Density Bonus Ordinance but defers to the Government Code Section 65915. However, the City's Zoning Code identifies the purpose of a density bonus as providing incentives for the production of affordable housing, senior housing, and childcare facilities in compliance with State Government section 65915.

The City of Costa Mesa must grant one density bonus to housing developments which contain at least one of the following (excluding any units permitted by the density bonus awarded):

- 10 percent of the total units of a housing development for lower income households;
- 5 percent of the total units of a housing development for very low-income households;
- A senior citizen housing development or a mobile home park that limits residents based on age requirements for housing for older persons; or
- 10 percent of the total dwelling units in a common interest development for persons and families of moderate income, provide that all units the development are offered to the public for purchase;

In addition, a housing development which is awarded a density bonus must maintain an affordable cost for very low- and low-income rental units for a minimum of 55 years. Additional years may be required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program.





The following provides the density bonus to be calculated for very low-income, low-income, and moderate-income households:

Table 3-2: Density Bonus for Very Low-Income Households	
Percent Very Low-Income Units	Percent Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

Table 3-3: Density Bonus for Low-Income Households	
Percent Low-Income Units	Percent Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

Table 3-4: Density Bonus for Moderate-Income Households	
Percent Moderate-Income Units	Percent Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16



Table 3-4: Density Bonus for Moderate-Income Households	
Percent Moderate-Income Units	Percent Density Bonus
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

In addition, the Government Code states that when an applicant for a tentative subdivision map, parcel map, or other residential development approval donates land to a city, county, or city and county in accordance with these subdivisions, the applicant shall be entitled to a 15 percent increase above the otherwise maximum allowable residential density for the entire development, as shown in **Table 3-5**. This increase may be added to the density bonuses listed above but may not exceed 35 percent.

Table 3-5: Density Bonus for Land Donation	
Percent Very Low-Income	Percent Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25





Table 3-5: Density Bonus for Land Donation	
Percent Very Low-Income	Percent Density Bonus
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

### *Concessions and Incentives*

According to the State Government Code section 65915, an applicant for a density bonus may submit a proposal for a specific concession or incentive; a waiver or reduction of development standards may not affect the number of incentives or concessions to which the applicant is entitled. The following concessions and incentives must be provided to eligible applicants:

- One incentive or concession for projects that include 10 percent of the total units for lower income households, at least 5 percent for very low-income households, or at least 10 percent for persons and families of moderate income in a common interest development.
- Two incentives or concessions for projects that include at least 20 percent of the total units for lower income households, at least 10 percent for very low-income households, or at least 20 percent for persons and families of moderate income in a common interest development.
- Three incentives or concessions for projects that include at least 30 percent of the total units for lower income households, at least 15 percent for very low-income households, or at least 30 percent for persons and families with moderate income in a common interest development.

### *Compliance with State Law*

Until 2021, under Government Code Section 65915, known as the Density Bonus Law, the maximum bonus was 35%. California state law AB 2345 states that all jurisdictions in California are required to process projects proposing up to 50% additional density, as long as those projects provide the additional Below Market Rate units (units affordable to low and very low-income households) in the original proposed project, unless the locality already allows a bonus above 35%. The City's Density Bonus program allows a maximum of 35% density increase; however, AB 2345 requires an allowance of up to 50% density bonus when the base BMR is proposed. The City has included a program in **Chapter 4: Housing Plan** to update the City's Development Code in compliance with state legislation.



### 3. Residential Development Standards

The City of Costa Mesa established four residential districts to provide a range of housing types. These standards and regulations are intended to create the highest quality residential development, minimize land use conflicts, encourage the maintenance of residential neighborhoods, and implement the goals of the City's General Plan. In addition to residential districts, Costa Mesa also includes three types of mixed-use designations to bring together residential and commercial developments.

- **Single-Family Residential District (R1)** – Single-Family Residential is intended to promote the development of single-family detached units on lots measuring at least 6,000 square feet. The maximum density is 7.26 dwelling units per gross acre.
- **Multiple-Family Residential District, Medium Density (R2-MD)** – Medium Density Multiple-Family Residential is intended to promote the development of multi-family properties on lots measuring a minimum of 12,000 square feet. The maximum density is 3,630 square feet per dwelling unit / 12 dwelling units per gross acre.
- **Multiple-Family Residential District, High Density (R2-HD)** – High Density Multiple-Family Residential is intended to promote the development of multi-family properties with a minimum of 12,000 square feet. The maximum density is 3,000 square feet per dwelling unit / 14.25 dwelling units per gross acre.
- **Multiple-Family Residential District (R3)** – Multiple-Family Residential is intended to promote the development of multi — family properties with a minimum of 12,000 square feet. The maximum density is 2,178 square feet per dwelling unit / 20 dwelling units per gross acre.
- **Town Center District (TC)** – Town Center is intended to allow intensely developed mixed commercial and residential uses within a limited geographical area located between Sunflower Avenue, I-405, Bristol Street, and Avenue of the Arts. Developments can range from one- to two-story office and retail buildings to mid- and high-rise buildings, including residential.
- **Planned Development Commercial (PDC)** – Planned Development Commercial is intended for retail shops, offices, and service establishments, including but not limited to, hotels, restaurants, theaters, museums, financial institutions, and health clubs. These uses are intended to serve adjacent residential area and the entire community and region. Complementary residential uses may also be included in the planned development.
- **Institutional and Recreational Multi-Use District** – Institutional and Recreational Multi-Use is only applicable to the Fairview Development Center and is intended to allow the integration of a variety of land uses and intensities at a low to moderate density and intensity.

As mentioned above, the City of Costa Mesa's Zoning Code establishes standards which regulate development throughout the City. The development standards include minimum requirements for lot size, width, building setbacks, and open space. **Table 3-6** provides the development standards applicable to each zoning district in Costa Mesa that permit residential development.



Table 3-6: Development Standards in Costa Mesa - Dimensions

Zone	Dimensions		Min. Yard Setbacks (ft)			Construction Standards		
	Min. Lot Size (square feet)	Min. Lot Width (feet)	Front (feet)	Side (feet)	Rear (feet)	Max. Height*	Min. Open Space (square feet)	Max. Density
<b>Residential Districts</b>								
R1	6,000 sq.ft.	Interior Lot: 50 ft. Corner Lot: 60 ft.	20 ft.	5 ft. <sup>(3)</sup>	2-story: 20 ft. 1-story: 10 ft.	27 feet	40%	1 DU <sup>(1)</sup> per 6,000 sq.ft.
R2-MD	12,000 sq.ft.	100 ft.	20 ft.	5 ft. <sup>(3)</sup>	2-story: 20 ft. 1-story: 10 ft.	27 feet	40%	1 DU per 3,630 sq.ft. <sup>(2)</sup>
R2-HD	12,000 sq.ft.	100 ft.	20 ft.	5 ft. <sup>(3)</sup>	2-story: 20 ft. 1-story: 10 ft.	27 feet	40%	1 DU per 3,000 sq.ft.
R3	12,000 sq.ft.	100 ft.	20 ft.	5 ft. <sup>(3)</sup>	2-story: 20 ft. 1-story: 10 ft.	27 feet	40%	1 DU per 2,178 sq.ft.
<b>Planned Development Standards</b>								
PDR-LD	5,500 sq.ft.	40 ft.	5 ft. <sup>(7)</sup>	0-10ft. <sup>(8)</sup>	5 ft.	27 ft.	45% <sup>(6)</sup>	8 DUs per acre
PDR-MD	5,500 sq.ft.	-	5 ft.	0-10ft. <sup>(8)</sup>	5 ft.	27 ft.	45%	12 DUs per acre
PDR-HD	3,000 sq.ft.	-	5 ft.	0-10ft. <sup>(8)</sup>	5 ft.	27 ft.	42%	20 DUs per acre <sup>(4)</sup>
PDR-NCM	3,000 sq.ft.	-	-	-	-	-	42%	35 DUs per acre
PDC	N/A	-	-	-	-	-	-	20 DUs per acre <sup>(5)</sup>
PDI	N/A	-	-	-	-	-	-	N/A

Note:

(1): Dwelling Unit

(2): 1 unit per DU for legal lots existing as of March 16, 1992, that are less than 7,260 sq.ft. in area but not less than 6,000 sq.ft. in area.

(3): Accessory structures that do not exceed 6.5 feet in height in the R1 zone or 15 feet in height in other residential zones may have a zero-side setback. Property line abutting a public street: 10 feet. Property line abutting an alley: 5 feet.

(4): See North Costa Mesa Specific Plan for exceptions. The maximum density for 125 East Baker Street is 58 dwelling units per acre (C0-13-02). The maximum density for 2277 Harbor Boulevard is 54 dwelling units per acre (C0-14-02).

(5): The maximum density for 1901 Newport Boulevard is 40 dwelling units per acre. See North Costa Mesa Specific Plan for exceptions. No residential development is permitted within the 23.4-acre project site generally addressed as 1375 Sunflower Ave. and 3370 Harbor Blvd.

(6): See section 13-60 required open space criteria for planned development residential.

(7): For individual DUs.

(8): feet on one side; 10 feet combination of both sides.

Source: City of Costa Mesa Zoning code



### **Yard Requirements**

Yards provide light and air, pedestrian and vehicular circulation, emergency access, and general aesthetic improvements. The Costa Mesa Zoning Code establishes setback requirements in order to maintain yard area. Minimum setback requirements are consistent in residential districts, 5 feet, but they differ depending on type development in mixed-use districts. While it is possible that setback requirements may pose a constraint on reaching maximum permitted density in some cases, there is enough flexibility in the current ordinances that setback requirements do not constitute a significant constraint on residential development.

### **Site Coverage and FAR**

The City of Costa Mesa establishes site coverage requirements in order to maintain bulk, mass, and intensity of use. Site coverage is not used towards planning residential districts in Costa Mesa as open space and setback requirements ensure structures are located within an area of a lot to avoid massing and excessive density. Site coverage is considered in mixed-use developments when combined with commercial uses.

Floor Area Ratio (FAR) refers to the gross floor area allowed on a site divided by the total gross area of the site. FAR requirements limit the usable floor area to limit the bulk of a building in comparison to the land, other buildings, and public facilities in the area.

### **Open Space**

Open space is used in conjunction with site coverage to control intensity of use and provide for an area that is intended to add light and air. Open space may include, but is not limited to, lawns, decorative planting, walkways, active and passive recreational area, playgrounds, fountains, swimming pools, and wooded areas. Also included are unenclosed patios, water courses, and surfaces covered by no more than 5 feet in depth by projections which are at least 8 feet above ground. Driveways, parking lots, surfaces designed for vehicular access, upper floor decks, balconies, and areas under projections which are less than 8 feet above ground are not considered open space.

### **Maximum Building Heights**

A structure's height is defined by the Zoning Code as the distance from the grade to the highest point on the roof, including roof-top mechanical equipment and screening. A standard 27 feet maximum height is established for two-story residential developments in Costa Mesa in order to maintain compatibility with existing and proposed developments, however a planned development is permitted to be developed up to four stories. Maximum building height are not considered a constraint on residential development in Costa Mesa as the General Plan and Zoning Code permit up to four stories south of the 405 freeway through planned development, and additional height north of the 405 in the North Costa Mesa Specific Plan area.

### **Parking Standards**

The City of Costa Mesa mandates parking requirements be applied to all developments in the City. **Table 3-7** provides the required parking for all housing types. The Zoning Code further identifies the number of parking spaces that must be covered and those that can remain uncovered. These requirements ensure that there is adequate parking provided for residents and for guests in both single-family and multi-family residences.





Table 3-7: Parking Requirements for Residential Uses		
Unit Type		Number of Spaces Required
Single-Family Detached with 4 Bedrooms or Less	Without garage access from alley	4
	With garage access from alley	3
Single-Family Detached with 5 Bedrooms or More	Without garage access from alley	5
	With garage access from alley	4
Multi-Family Residential	Bachelor/Studio	2
	1 Bedroom	2.5
	2 Bedrooms	3
	3 Bedrooms or more	4
Source: City of Costa Mesa Zoning Code		

The cost associated with garage parking construction can be viewed as a constraint to affordable housing development, especially for multi-family housing. However, Costa Mesa's parking regulations differ depending on the number of bedrooms proposed per unit. Affordable housing projects that qualify for a density bonus may also request application for additional incentives which can be provided in the form of reduction of parking requirements. While off-street parking requirements can affect planned residential density, particularly for small lots and in-fill areas, this potential constraint is mitigated by the flexible standards shown above.

Furthermore, in comparison to neighboring jurisdictions (Fountain Valley, Newport Beach, and Irvine), the City of Costa Mesa has similar parking requirements. Where Costa Mesa differs in single-family parking requirements is in its count of open/driveway parking spaces. The City of Costa Mesa specifically requires 2 spaces in a garage and 2 spaces on a driveway for a single-family detached residence with 4 bedrooms or less; the other cities only provide requirements for the number of vehicles that must be included in a garage. In addition, the other cities require guest parking as a percentage of the total number of units or required spaces, while Costa Mesa requires a set number per unit. To conclude, the parking requirements of the City of Costa Mesa do not pose a constraint to the development of housing as parking is flexible and based on the number of bedrooms proposed and the housing type, comparable to neighboring cities.

#### 4. Variety of Housing Types Permitted

California Housing Element Law mandates jurisdictions must make sites available through zoning and development standards to promote the development of a variety of housing types for all socioeconomic levels of the populations. Housing types include single-family homes, multi-family housing, accessory dwelling units, factory-built homes, mobile-homes, employee and agricultural work housing, transitional and supportive housing, single-room occupancy (SROs), and housing for persons with disabilities. **Table 3-8** shows the various housing types permitted throughout the City of Costa Mesa.



Table 3-8: Housing Types Permitted in Costa Mesa

Housing Types	Zones																
	Residential				Commercial				Industrial		Planned Development						Institutional & Rec.
	R1	R2-MD	R2-HD	R3	C1	C2	C1-S	TC	MG	MP	PDR-LD	PDR-MD	PDR-HD	PDR-NQM	PDC	PDI	I&R
Single-Family	P	P	P	P	-	-	-	-	-	-	P	P	P	P	P	P	-
Multi-Family	-	P	P	P	-	-	-	P	-	-	P	P	P	P	P	P	-
Accessory Dwelling Unit	P	P	P	P	-	-	-	P	-	-	P	P	P	P	P	P	-
Common Interest Development	-	P	P	P	-	-	-	P	-	-	P	P	P	P	P	P	-
Small Lot Subdivision, Residential	-	P	P	P	-	-	-	-	-	-	-	-	-	-	-	-	-
Mobile Home Park	-	C	C	C	-	-	-	-	-	-	C	C	C	C	C	C	-
Boarding House, Small <sup>(1)</sup>	-	P	P	P	-	-	-	-	-	-	P	P	P	P	P	P	-
Boarding House, Large <sup>(1)</sup>	-	C	C	C	-	-	-	-	-	-	-	C	C	C	C	C	-
Residential Care Facility, 6 or Fewer Persons	P	P	P	P	-	-	-	-	-	-	P	P	P	P	P	P	P
Residential Care Facility, 7 or More	-	C	C	C	-	-	-	-	-	-	-	C	C	C	C	C	-
Group Homes, 6 or Fewer Persons	S	S	S	S	-	-	-	-	-	-	S	S	S	S	S	S	P
Group Homes, 7 or More	-	C	C	C	-	-	-	-	-	-	-	C	C	C	C	C	P



Table 3-8: Housing Types Permitted in Costa Mesa

Housing Types	Zones																
	Residential				Commercial				Industrial		Planned Development						Institutional & Rec.
	R1	R2-MD	R2-HD	R3	C1	C2	C1-S	TC	MG	MP	PDR-LD	PDR-MD	PDR-HD	PDR-NCM	PDC	PDI	I&R
Sober Living Homes, 6 or Fewer Persons	S	S	S	S	-	-	-	-	-	-	S	S	S	S	S	S	P
Sober Living Homes, 7 or More	-	C	C	C	-	-	-	-	-	-	-	C	C	C	C	C	P
Referral Facility	-	C	C	C	-	C	-	-	-	-	-	C	C	-	-	-	-
Single Room Occupancy Residential Hotel (SRO)	-	-	-	-	C	C	-	-	-	-	-	-	-	-	-	-	-
Emergency Shelters	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Low Barrier Navigation Centers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Farmworker Housing	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: City of Costa Mesa Zoning Code

Notes: (1) Small boardinghouses shall locate at least six hundred fifty (650) feet from any other small boardinghouse. Large boardinghouses shall be located at least one thousand (1,000) feet away from any other boardinghouse.

P – Permitted

C – Conditional Use Permit

S – Special Use Permit

(-) – Prohibited

### Single-Family Dwelling

The Costa Mesa Zoning Code defines a Single-Family Dwelling as a building of permanent character which is designed or used for residential occupancy by one family. A single mobile home on a foundation system on a single lot is a single-family dwelling. A single-family dwelling may be attached or detached from another single-family dwelling, including but not limited to an accessory dwelling unit. Single Family dwelling units are permitted in the R1, R2-MD, R2-HD, and R3 residential zones, as well as the PDR-LD, PDR-MD, PDR-HD, PDR-NCM, PDC, PDI, and I&R-MLT zones.



### **Multi-Family Dwelling**

A Multi-Family Dwelling is a building of a permanent character which is designed or used for residential occupancy or two or more families. This housing designation may include, duplexes, triplexes, fourplexes, and apartments. The building is typically owned by a single person or agency and rented out to tenants. Each dwelling unit within the structure is occupied by a single housekeeping unit. Multifamily dwelling units are permitted in the R2-MD, R2-HD, and R3 residential zones, the TC commercial zone, and the PDR-LD, PDR-MD, PDR-HD, PDR-NCM, PDC, and PDI zones, and the I&R-MLT Institution zone.

### **Accessory Dwelling Unit (ADU)**

An ADU is a second dwelling unit established in conjunction with and subordinate to the single-family dwelling unit existing on the property. The ADU may be a studio with no bedroom or contain any number of bedrooms and it may be attached to the single-family dwelling unit or detached and located on the same lot. An ADU may also be referred to as an “accessory apartment”, “granny unit”, “granny flat”, or “in-law apartment”. Refer to Costa Mesa City Ordinance 2021-03 for ADU-specific development standards. Accessory dwelling units are permitted in all zones where single-family residential units are also permitted.

### **Common Interest Development**

The City Zoning Code defines Common Interest Developments as containing 2 or more common interest units, which may include, but is not limited to, a community apartment project, rights of exclusive occupancy, a stock cooperative, and/or exclusive occupancy. Common interest developments are permitted in all zones where multifamily developments and units are permitted.

### **Small Lot Subdivision, Residential**

A Small Lot Subdivision refers to a residential development that contains a maximum of 15 detached or townhome style units with no common walls where each unit is independently constructed on an individual parcel. In a small lot subdivision, the land is subdivided into fee simple parcels containing each unit and each individual lot is provided with either a direct access to a public street/alley or an easement access through a recorded subdivision map. Small Lot subdivision projects are permitted in the R2-MD, R2-HD, and R3 residential zones.

### **Manufactured Housing**

Manufactured housing includes detached housing that is built to the National Manufactured Housing Construction and Safety Standards Act of 1974, including structures known as manufactured homes and mobile homes. A factory-built structure is considered a single-family home and shall be reviewed under the same standards as a site-built structure if it is manufactured under the authority of 42 U.S.C. section 5401 - National Manufactured Housing Construction and Safety Standards Act. Mobile homes are permitted conditionally in the R2-MD, R2-HD, R3 residential zones and PDR-LD, PDR-MD, PDR-HD, PDR-NCM, PDC, PDI zones.

### **Boarding House**

A Boarding House is a residence or dwelling, other than a hotel, wherein rooms are rented under 2 or more separate written or oral rental agreements, leases, or subleases. The property owner, agent, or rental manager may or may not reside on the property. A small boarding house rents 2 or less rooms, while a





large boarding house rents out 3 to 6 rooms. The City of Costa Mesa prohibits boarding houses that rent more than 6 rooms. Small boarding house developments are permitted in all zones where manufactured/mobile homes are permitted, and large boarding house developments are conditionally permit in these zones.

### **Residential Care Facility**

In Costa Mesa, a Residential Care Facility must be licensed by the State to provide care, services, or treatment to persons living in supportive community residential setting. Residential care facilities may include, but may not be limited to: intermediate care facilities for the developmentally disabled; community care facilities; residential care facilities for the elderly; residential care facilities for the chronically ill; alcoholism and drug abuse facilities; pediatric day health and respite care facilities; residential health care facilities, including congregate living health facilities; family care home, foster home, group home for the mentally disordered or otherwise handicapped persons or dependent and neglected children. Residential care facilities are permitted in all residential, planned development, and institutional zones.

### **Group Homes**

A Group Home is a facility that is being used as a supportive living environment for persons who are considered handicapped under state or federal law. A group home operated by a single operator or service provider (whether State licensed or unlicensed) constitutes a single facility, whether the facility occupies one or more dwelling units. Small group homes are permitted with a special use permit in residential and planned development zones, and they are permitted as a primary use in institutional zones. Large group homes are conditionally permitted in residential and planned development zones and are permitted as a primary use in the I&R institutional zone.

### **Transitional Housing**

The Costa Mesa Zoning Code defines Transitional Housing as a development with buildings configured as rental developments but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which may not be less than 6 months. Transitional housing that is provided in single family dwelling, multi-family dwelling units, residential care facilities, or boarding house uses, shall be permitted, conditionally permitted, or prohibited in the same manner as the other single-family dwelling, multi-family dwelling units, residential care facilities, or boarding house uses.

### **Supportive Housing**

Supportive Housing includes housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing their ability to live and, when possible, work in the community. Supportive housing that is provided in single family dwelling, multi-family dwelling units, residential care facilities, or boarding house uses, shall be permitted, conditionally permitted, or prohibited in the same manner as the other single-family dwelling, multi-family dwelling units, residential care facilities, or boarding house uses.



### **Referral Facility**

A Referral Facility or a group home may include one or more person who resides there pursuant to a court order or directive from an agency in the criminal justice system. Referral facilities are conditionally permitted in the R2-MD, R2-HD, and R3 residential zones, the PDR-MD, PDR-HD Planned Development zones and the C2 commercial zone.

### **Single Room Occupancy Residential Hotel (SRO)**

An SRO is permitted in certain commercial zones and contains units designed for long-term occupancy by a single person. Double occupancy may be permitted. SROs are conditionally permitted in the C1 and C2 commercial zones.

### **Emergency Shelter**

An emergency shelter provides temporary housing and food for individuals in need or disaster victims. The shelters may be operated by a public or non-profit organization. Emergency shelters are permitted in the MP Industrial Zones and are subject to the following development standards (City-owned emergency shelters are exempt from certain provisions):

- The maximum length of stay may not exceed 120 days in a 365-day period.
- Each emergency shelter may have a maximum of 30 beds.
- Off-site parking must be provided at a parking rate of 1 parking space per 4 beds or one 1 space per employee, whichever is higher.
- Stays at an emergency shelter facility shall be limited to the hours of 5:00 p.m. and 8:00 a.m. the following day.
- Nonoperational and unregistered vehicles may not be kept on site.
- Each emergency shelter will provide an interior and exterior waiting area adequate to accommodate waiting clients and to prevent queuing into the public right-of-way. An exterior waiting area must be physically separated and visually screened from the public right-of-way.
- The emergency shelter facility will provide an on-site resident manager on site at all times.
- A minimum distance of 300 feet must be maintained from another emergency shelter. The distance of separation shall be measured in a straight line between the property lines of each use without regard to intervening structures or objects.
- The shelter operator shall provide minimum exterior lighting in compliance with the city's security requirements.
- The shelter operator shall patrol a half-mile radius surrounding the shelter site during hours that the shelter is in operation to ensure that shelter clients and homeless individuals who have been denied access are not congregating in the neighborhood.
- Alcohol and narcotics use, and consumption are prohibited within the facility and on the property.
- An operations plan will be submitted for review and approval by the development services director and police chief prior to operation of the emergency shelter. The plan must include minimum provisions related to on-site security and safety, staff training, loitering control, client eligibility, counseling services, and indoor and outdoor management of the facility.



### *Farmworker Housing*

California Health and Safety Code Sections 17021.5 and 17021.6 require agricultural employee housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. The Costa Mesa Municipal Code does not address Farmworker Housing by definition. A program is included in **Chapter 4: Housing Plan** to ensure the City's development standards allow Farmworker Housing by-right, without a CUP, in single-family zones for six or fewer persons.

### *Low Barrier Navigation Centers*

AB 101 states that "Low Barrier Navigation Center developments are essential tools for alleviating the homelessness crisis in this state." Low Barrier Navigation Centers are defined as a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low Barrier Navigation Centers are required as a use by right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if it meets specified requirements. The Costa Mesa Municipal Code does not address Low Barrier Navigations Centers by definition. A program is included in **Chapter 4: Housing Plan** to ensure the City's development standards allow Low Barrier Navigation Centers by-right in all zones that permit mixed-uses and non-residential uses.

## **5. Planned Development**

The intent and purposed of Planned Developments are to provide a method by which appropriately located areas of the City can be developed utilizing more imaginative and innovative planning concepts than would be possible through strict application of existing zoning and subdivision regulations. It is intended that these developments will meet the broader goals of the General Plan and Zoning Code by exhibiting excellence in design, site planning, integration of uses and structures, and protection of the integrity of neighboring developments. Additional standards for PDs may be found in Chapter V. Article 6 of the City's Zoning Code.

All PDs require approval through a Master Plan and must be reviewed and approved by the Planning Commission. The following provides the process by which PDs may be reviewed:

**Preliminary Master Plan:** a preliminary master plan may be processed in advance of the master plan to determine the general location, type, and intensities of uses proposed in large scale planned developments prior to the preparation and submittal or more detailed development plans. Preliminary master plans may also be used as conceptual plans for long-term or phased PDs.

Upon approval of the preliminary master plan, development plans for individual components or phases of the PD are required and will be processed according to the provisions for master plans. Subsequent plans must be consistent with the parameters and general allocation and intensity of uses of the approved preliminary master plan. At the time of approval of the preliminary master plan, the Planning Commission may determine that subsequent development plans may be approved by the Zoning Administrator. In such cases, development plans will be forwarded by the Zoning Administrator, upon an appeal filed or upon motion by the Planning Commission or City Council.



**Amendments to the Master Plan:** Minor changes in the location, siting or character of buildings and structures may be authorized by the planning division if required by engineering specifications or other circumstances not foreseen at the time the master plan was approved. No change authorized under this section may cause any of the following:

- A change in the use or character of the development;
- An increase in the overall density of the development;
- An increase in overall coverage of structures;
- A reduction or change in character of approved open space;
- A reduction of required off-street parking;
- A detrimental alteration to the pedestrian, vehicular and bicycle circulation, and utility networks; or
- A reduction in required street pavement widths.

Major changes involving substantial amendments to the master plan encompassing one or more of the minor changes listed above, or any other proposed change determined by the Development Services Director as a major amendment, shall be subject to review and approval by the Zoning Administrator. If the major amendment results in an overall building square footage that exceeds the maximum density or building square footage allowed by the approved master plan, the Zoning Administrator must find that the major amendment is consistent with the density, floor area ratio, and trip budget standards established by the general plan, as applicable.

**Minor Additions to an Existing PD:**

- Residential buildings—Single-story additions: Minor single-story additions to existing residential buildings not meeting the criteria below may be approved by a Minor Modification application if the Planning Division finds that the proposed construction does not materially affect the required open space, site coverage, or parking of the PD.
- Unenclosed patio covers: Unenclosed patio covers in planned development residential zones, which meet the setback criteria may be approved by the Planning Division:
- Enclosed patios and room additions: Enclosed patios and room additions may be permitted pursuant to the parameters for such additions established in the master plan. In cases where the master plan does not include criteria for future enclosed patios and/or room additions, the addition may be permitted if the required open space percentage is met on the affected lot and the addition meets the setbacks established for patio covers with the exception of small lot developments.
- Residential buildings—Second story additions: In cases where the master plan does not include criteria for future second-story additions, the planning division may approve any proposed second-story addition that meets the setback standards. Any second-story addition that does not meet all of the following criteria will be subject to Minor Design Review: complies with residential design guidelines adopted by the City Council, and does not materially affect the required open space, site coverage, or parking of the planned development.





- *Nonresidential buildings*: Minor additions to existing nonresidential buildings may be approved by Development Review if the Planning Division finds that the proposed construction does not materially affect required open space, floor area ratio, and parking requirements specified in the approved master plan. If the minor addition results in an overall building square footage that exceeds the maximum building square footage allowed by the approved master plan, the Planning Division must find that the minor addition is consistent with the floor area ratio and trip budget standards established by the general plan, as applicable.

### *Site Design Concept*

To maintain similar development designs and intensities within the different residential zones in the Costa Mesa, the City encourages the following standards and housing types:

**Low-Density Zone:** Small-lot, single-family detached residential developments including clustered development, zero lot line development and conventional development are appropriate.

**Medium-Density and High-Density Zone, and North Costa Mesa Zones:** Single- and multi-family residential developments containing any type or mixture of housing units, either attached or detached, including but not limited to, clustered development, townhouses, patio homes, detached houses, duplexes, garden apartments, and high-rise apartments or common interest developments are appropriate.

**As a Complementary Use:** nonresidential use of a religious, educational, or recreational nature may be allowed if the planning commission finds the use to be compatible with the PD residential project.

**As a Complementary Use in PDR-MD, PDR-HD, PDR-NCM Zones:** nonresidential uses of a commercial nature may be allowed if the Planning Commission finds the uses to be compatible with the PD residential project and if the FAR does not exceed that established for the Neighborhood Commercial General Plan Land Use designation.

## **6. Growth Management Measures - Measure Y**

Growth management measures allow cities to grow responsibly and orderly, however, if overly restrictive, these measures can produce constraints to the development of housing, specifically affordable and accessible housing.

In 2016, residents of Costa Mesa voted to pass Measure Y: An Initiative to Require Voter Approval on Certain Development Projects. The Measure amended the Costa Mesa Municipal Code to require voter approval of any projects involving legislative actions (i.e. projects that amend, change, or replace the General Plan, the Zoning Code, a specific plan, or an overlay plan) which:

- Add 40 or more dwelling units;
- Generates more than 200 additional average daily trips (ADT);
- Increases the volume/capacity of an intersection based on specified formulas;
- Changes the intersection capacity utilization or level of service (LOS) based on specified formulas;
- Adds 10,000 square feet of retail, office, or other nonresidential uses; and/or



- Where the proposed project, combined with other projects within 8 years and a half-mile of each other, meet the above criteria.

Voter approval is also required for projects involving the above listed legislative actions which involve:

- Changes from public uses to private uses under special circumstances;
- Land designated as utility right-of-way under specified circumstances;
- Land donated, bequeathed, or otherwise granted to the City;
- Land used or designated for Costa Mesa school property; and/or
- Land owned, controlled, or managed by the City.

Any of these proposed changes as listed above are required to be approved by the Costa Mesa voters through a special or general election after the City Council has approved the project. This growth management measure, as written may be considered a potential constraint to the development of housing in Costa Mesa as it may cause delays depending on the type of election used and it requires significant capital investment that may return uncertain election results (even if a project is approved by the City Council through an entitlement process). This process may discourage developers from pursuing housing development projects and particularly affordable housing projects. **Program 3G** discusses actions the City will take to address Measure Y in the context of the Housing Element.

## 7. Specific Plans

The purpose of a Specific Plan is to implement the goals and objectives of a city's General Plan in a more focused and detailed manner that is area and project specific. The Specific Plan promotes an enhanced aesthetic level throughout the project/community. Specific Plans can contain their own development standards and requirements that may be more restrictive than those defined for a city as a whole.

### **East 17<sup>th</sup> Street Specific Plan**

The East 17<sup>th</sup> Street Specific Plan encompasses approximately 33 acres along 17<sup>th</sup> Street, east of Santa Ana Avenue and west of Irvine Avenue. The area is designated for General Commercial by the General Plan Land Use Element and contains a mix of office and commercial uses.

The intent and purpose of the specific plan is to provide a good transition to neighboring residential areas by alleviating the problems generated by the proximity of commercial and residential uses in the area. In order to do this, the City adopted the following development standards:

- Properties on the south side of the 400 block of the Specific Plan area must maintain a 10-foot landscape buffer and properties on the north side of the 400 block must maintain a 5-foot landscape buffer.
- A Conditional Use Permit is required to permit any development over 2 stories / 30 feet. Developments over 4 stories are prohibited.



### **Newport Boulevard Specific Plan**

The Newport Boulevard Specific Plan was prepared in order to address the development issues that resulted from the completion of the Costa Mesa Freeway. The intent and purpose of this specific plan is to encourage viable commercial businesses along Newport Boulevard, as well as to encourage marginal uses to redevelop. The Newport Boulevard Specific Plan added the “Commercial-Residential” land use designation to allow for a mix of residential and commercial zoning, which would otherwise only occur in Planned Development zoning districts. Maximum residential density ranges from 12 units to 17.4 units per acre through the specific plan area; **Table 3-9** below provides the permitted densities.

The Commercial-Residential land use designation is intended to allow commercial uses which serve and complement the residential neighborhoods to the east and within the specific plan. Appropriate uses include markets, drug stores, retail shops, financial institutions, service establishments and support office uses. Single room occupancy hotels are also permitted in this area. The location of these uses near residential neighborhoods is further intended to reduce the need for longer vehicle trips to areas of more intense commercial activity in order to obtain goods or services.

Table 3-9: Permitted Residential Density		
Lot Size	Street Frontage	Allowable Density
40,000 square feet	120 feet	1 unit/ 3,630 square feet (Medium density at 12 units per acre)
60,000 square feet	150 feet	1 unit/ 3,000 square feet (High density at 14.5 units per acre)
80,000 square feet	180 feet	1 unit/2,500 square feet (High density at 17.4 units per acre)
<i>Source: Newport Boulevard Specific Plan SP-96-01 (1996)</i>		

### **North Costa Mesa Specific Plan**

The North Costa Mesa Specific Plan encompasses 423 acres north of the San Diego Freeway and was adopted in 1994 and last updated in 2016. A specific plan was developed to set standards and strategies for the development of two large areas of undeveloped land in this area. The intent of the specific plan is to implement the policies of the General Plan in a manner that seamlessly integrates a variety of uses and considers the impact of new development on surrounding areas.

**Table 3-10** provides the permitted land uses and densities within the specific plan areas, and **Table 3-11** provides the maximum building heights allowed.



Table 3-10: Permitted Land Uses and Development Standards

Land Use Designation	Typical Uses	Zoning Districts	Residential Density	FAR
Low Density Residential	Single family detached and attached units, granny units, accessory apartments, family day care	R1, PDR-LD, I&R	≤ 8 units per acre	0.15 high traffic 0.25 moderate traffic 0.35 low traffic
Medium Density Residential	Single-family attached units, multiple family units, senior congregate care facilities, convalescent hospitals, and group residential homes. Ancillary commercial uses are permitted the planned development zones.	R1, R2-MD, PDR-MD, MU, I&R	≤ 12 units per acre	0.15 high traffic 0.25 moderate traffic 0.35 low traffic
High Density Residential	Multiple family units, senior congregate care facilities, convalescent hospitals and group residential homes. Ancillary commercial uses are permitted in the planned development zones.	R2-HD, R3, PDR-HD, PDR-NCM, MU, I&R	≤ 20 units per acre (except the density in PDR-NCM zone is 25-35 units per acre)	0.15 high traffic 0.25 moderate traffic 0.35 low traffic
Commercial Center <sup>(1)</sup>	Major shopping, service, and office facilities designated serve city-wide and regional markets.	C1, C2, C1-S, PDC, AP, P, CL	≤ 20 units per acre	0.25 high traffic 0.35 moderate traffic 0.45 low traffic 0.75 very low traffic
Regional Commercial	Regional scale uses including major department stores, specialty retail outlets, restaurants, offices, and hotels.	PDC	≤ 20 units per acre	0.652 South Coast Plaza (east of Bear Street) 0.89 South Coast Plaza (west of Bear Street)
Urban Center Commercial	Intensively developed mixed commercial including offices, retail shops, restaurants, and hotels. Residential uses are also permitted pursuant to the North Costa Mesa Specific Plan	PDC, TC	≤ 20 units per acre	See Note 2.
Industrial Park	Wide variety of industrial and compatible office and support commercial uses.	MP, POI, CL	≤ 20 units per acre	0.20 high traffic 0.30 moderate traffic 0.40 low traffic 0.75 very low traffic
Notes: (1) Home Ranch has a site-specific FAR: 0.37 for the IKEA portion of the project and 0.64 for the office portion (2) South Coast Metro Center (Area 6) has a site-specific FAR of 0.79. Sakioka Lot 2 (Area 8) has a maximum site-specific FAR of 1.0. <i>Source: North Costa Mesa Specific Plan (2016)</i>				





Table 3-11: Maximum Building Height – North Costa Mesa Specific Plan	
Sub-Are	Max. Building Height
Area 1 – Home Ranch	Varies <sup>(1)</sup>
Area 2 – Metro Pointe	30 feet / 2 stories <sup>(2)(3)</sup> (North of South Coast Drive)
	90 feet / 6 stories <sup>(2)(3)</sup> (South of South Coast Drive)
Area 3 – South Coast Plaza and Crystal Court	85 feet / 4 stories
Area 4 – SCP Town Center	315 feet / 25 stories <sup>(2)</sup>
Area 5 – The Lakes	90 feet / 6 stories <sup>(2)</sup> (Mid-Rise Residential)
	280 feet / 26 stories <sup>(2)</sup> (High-Rise Residential)
Area 6 – South Coast Metro	Varies <sup>(2)(4)</sup>
Area 7 – Sakioka Lot 1	60 feet / 4 stories <sup>(4)</sup>
Area 8 – Sakioka Lot 2	60 feet / 4 stories <sup>(2)(4)</sup> (North of Collector Street)
	180 feet / 12 stories <sup>(2)(4)</sup> (South of Collector Street)
Notes: (1) See North Costa Mesa Specific Plan. (2) Buildings above 173 feet in height will require a determination of no hazard by the FAA. (3) Current development agreement allows buildings up to 15 stories. (4) Buildings which encroach into the setback for Anton Blvd. and/or Sakioka Dr. cannot exceed 30 feet (approx. 2 stories) within the setback area. <i>Source: North Costa Mesa Specific Plan (2016)</i>	

### **Costa Mesa Theater and Arts District Plan**

The Costa Mesa Theater and Art District includes 54 acres of land located east of Bristol Street, south of Sunflower Avenue, west of Avenue of the Arts, and north of the San Diego Freeway. The specific plan area includes high-rise office buildings, cultural facilities, hotels, restaurants, and other commercial uses; it neighbors high-density residential developments. The goals of the plan are to:

- Create a strong sense of place and awareness of a coherent identity for the Costa Mesa Theater and Arts District that will recognize existing cultural and corporate resources in the area and successfully integrate new resources as they are developed.
- Assist pedestrians and vehicle operators in reaching their destinations quickly and easily, and, once they are in the area, make information available that highlights additional points of attraction throughout the district.
- Inform local, regional, national, and international communities about the Costa Mesa Theater and Arts District.
- Support occasional programs and installations in the Costa Mesa Theater and arts District that will recognize the importance of culture and the arts in daily life.



- Encourage appropriate interplay between policies that apply particularly to the Costa Mesa Theater Arts District and those policies that evolve in the City of Costa Mesa to serve regional needs.
- Improve communication and cooperation among area property owners in monitoring and fostering design and development within the district.

## ***8. Housing for Persons with Disabilities***

Both the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act require governments to make reasonable accommodations (that is, modifications or exceptions) in their zoning laws and other land use regulations to afford disabled persons an equal opportunity to housing. State law also requires cities to analyze potential and actual constraints to the development, maintenance, and improvement of housing for persons with disabilities.

The Housing Element Update must also include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities. The analysis of constraints must touch upon each of three general categories: 1) zoning/land use; 2) permit and processing procedures; and 3) building codes and other factors, including design, location, and discrimination, which could limit the availability of housing for disabled persons.

### ***Reasonable Accommodation***

Reasonable accommodation in the land use and zoning context means providing individuals with disabilities or developers of housing for people with disabilities, flexibility in the application of land use and zoning and building regulations, policies, practices, and procedures, or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The Reasonable Accommodations Chapter of the City of Costa Mesa's Municipal Code identifies the applicability and procedures needed to obtain relief from a Zoning Code provision, regulation, policy, or condition which may cause a barrier to equal opportunity for housing. This regulation applies to any person seeking approval to construct and/or modify residential housing for persons(s) with disabilities, and/or operate a residential care facility, group home, or referral facility, which will substantially serve persons with disabilities.

An application for a reasonable accommodation must be submitted to the City of Costa Mesa's Planning Division and requires approval by the Development Services Director within 60 days of the application being deemed complete. A denied application may be appealed to the Planning Commission and is subject to the notice, review, approval, and appeal procedures prescribed for any other discretionary permit. There are no fees associated with the application and it must include:

- The zoning code provision, regulation, policy, or condition from which accommodation is being requested;



- The basis for the claim that the individuals are considered disabled under state or federal law, and why the accommodation is necessary to provide equal opportunity for housing and to make the specific housing available to the individual;
- Any other information that the Director reasonably determines is necessary for evaluating the request;
- Documentation that the applicant is either an individual with a disability, applying on behalf of one or more individuals with a disability, or a developer or provider of housing for one or more individuals with a disability;
- The specific exception or modification to the zoning code provision, policy, or practices requested;
- Documentation that the specific exception or modification requested by the applicant is necessary to provide one or more individuals with a disability an equal opportunity to use and enjoy the residence; and
- Any other information that the hearing officer reasonably concludes is necessary to determine whether the grounds for reasonable accommodation can be made, so long as any request for information regarding the disability of the individual(s) benefited complies with fair housing law protections and the privacy rights of the individual(s) affected.

The following factors are considered during the review of the application:

- Is the requested accommodation necessary to afford a disabled person an equal opportunity to use and enjoy a dwelling? To determine whether the accommodation is necessary, the director may consider, among other things: The nature of the disability including the special needs created by the disability, the physical attributes and setting of the property and structures, the potential benefit that can be accomplished by the requested accommodation, and alternative accommodations that may provide a comparable level of benefit.
- Is the requested accommodation reasonable? A requested accommodation is not reasonable if it would impose an undue financial or administrative burden on the City. It is also not reasonable if it would fundamentally alter a City program, such as the City's zoning scheme.
  - In considering the financial or administrative burden on the City, the director may consider, among other things, the extent to which the City would have to dedicate resources, such as staff time and funds, to grant the request and other requests like it.
  - In considering the potential alteration to a City program, such as the City's zoning scheme, the director may consider, among other things, whether granting the request would be consistent with the City's General Plan, with the purpose and nature of the particular zoning district, and with nearby uses. The director may also consider whether the requested accommodation would potentially have adverse external impacts on properties in the vicinity.

### **Definition of Family**

Under the right of privacy, the California Constitution prohibits a restrictive definition of "family" which limits the number of unrelated persons and differentiates between related and unrelated individuals living together. The City of Costa Mesa's Municipal Code defines the term "family" as one or more persons



occupying one dwelling unit and living together as a single housekeeping unit. The City also defines a single housekeeping unit as occupants which have established ties and familiarity with each other, jointly use common areas, interact with each other, share meals, household activities, and expenses and responsibilities. Membership in the single housekeeping unit must be fairly stable as opposed to transient, the members have some control over who becomes a member of the household, and the residential activities of the household are conducted on a nonprofit basis. The City also includes that there is a rebuttable presumption that integral facilities do not constitute single housekeeping units.

The City's Municipal Code provides the following indicators that a household is not operating a single housekeeping unit:

- The occupants do not share a lease agreement or ownership of the property;
- Members of the household have separate, private entrances from other members;
- Members of the household have locks on their bedroom doors; and/or
- Members of the household have separate food storage facilities, such as separate refrigerators.

The City of Costa Mesa's definition of family and housekeeping unit does not limit the number of unrelated persons living together.

## 9. Development Fees

Residential developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. Development fees can be a constraint to the maintenance, improvement, and development of housing because the added costs for developers results in higher housing unit costs. Development fees are, however, necessary to provide planning and public services. **Table 3-12** provides the planning processing fees and **Table 3-13** provides the engineering fees.

Table 3-12: Planning Processing Fees			
Review Process			Fee
ABC License Review			\$500
Administrative Adjustment			\$3,800
Address / Address Change			\$200
Appeal	Planning Commission Decision	Located within 500 ft. of project site	\$1,220
		Located greater than 500 ft. of project site	\$3,825
	Non-Planning Commission Decision	Located within 500 ft. of project site	\$690
		Located greater than 500 ft. of project site	\$3,825
Banner Permit			\$25
CC&Rs Review			\$1,000
Certificate of Appropriateness			\$7,500
Certificate of Compliance			\$1,500





Table 3-12: Planning Processing Fees		
Review Process		Fee
Conditional Use Permit		\$7,500
Conditional Use Permit – Measure X		\$27,508
Density Bonus Review		\$12,000
Design Review	Minor	\$1,500
	Major	\$3,800
Designating a Cultural Resource		No fee
Development Agreement		Time and materials with \$20,000 min. deposit
Development Agreement	Planning Commission Review	\$1,425
Annual Review	City Council Review	\$1,875
Development Review (Staff)		\$1,500
Environmental Review / CEQA		Total consultant contract estimates plus 10%
Flood Zone Determination Letter		\$250
Gate Permits		\$500
General Plan Amendment Screening		\$5,000
General Plan Amendment		\$12,000
Home Occupation Permit (Planning Review)		\$100
Land Use Restriction		\$500
Lot Line Adjustment		\$1,500
Master Plan		\$9,000
Master Plan Amendment	Minor Change	\$1,250
	Minor Amendment	\$6,000
	Major Amendment	\$7,500
Minor Modification		\$500
Minor Conditional Use Permit		\$3,800
Minor Design Review		\$1,500
Mixed-Use Development Plan Screening		\$5,000
Mobile Home Park Applications	Mobile Home Park Conversion	\$7,500
	Tenant Relocation (Staff Review)	\$5,000
	Tenant Relocation (Third Party Review)	Total consultant contract estimates plus 10%
Off-Site Hazardous Waste Facility	Notice of Intent	\$5,000
	Conditional Use Permit	\$12,000
	Local Assessment Committee (Formation and Convening)	\$5,000
Planned Signing Program		\$1,500
Plan Check	Commercial	\$250
	Industrial	\$250
	Residential – Minor, 4 or Less	\$250
	Residential – Major, 5 or More	\$500
	Landscape Plan Only	\$500



Table 3-12: Planning Processing Fees		
Review Process		Fee
Pre-Application Review		\$1,500
Public Entertainment Permit		\$1,500
Public Notice (500-Foot Radius and Newspaper Publishing)		\$1.00 per mailing address plus publishing costs
Reasonable Accommodation		No fee
Renewal/Time Extension	Director Action	\$500
	Zoning Administrator Action	\$2,500
	Planning Commission Action	\$3,800
Residential and Non-Residential Common Interest Development Conversion		\$7,500 plus \$115 per unit for required building inspection
Rezone		\$10,000
Second-Story Notification		\$500
Shared Parking Approval		\$500
Small Cell Facility Encroachment Permit – Planning Review		\$1,000
Special Use Permit		\$5,500
Specific Plan / Amendment		\$12,000
Specific Plan Conformity Review		\$9,000
Tentative Tract Map		\$6,000
Tentative Parcel Map		\$3,800
Tree Removal Review / Tree Replacement Plan		\$500
Urban Master Plan Screening		\$10,000
Use Determination Letter		\$500
Variance		\$7,500
Zoning Verification Letter		\$250
<i>Source: City of Costa Mesa Planning Processing Fee Schedule (2019)</i>		

Table 3-13: Engineering Fees	
Type	Fee
Drainage Fee	\$6,283 - \$11,309 per acre + storm drain upgrade
Final Map Check Fee	\$90/hour
Off-Site Plan Check	\$90/hour
Street Improvement Plan Check Fee	\$90/hour
Deposit/bond– Off-Site Work	Twice the amount of the cost estimate of off-site work
Construction Access Permit	\$230
Curb and Gutter Permit	\$365
Driveway Approach	\$425
Sidewalk Approach	\$380
Wheelchair Ramp	\$365
Public Right-of-Way Inspection	\$125/hour
<i>Source: City of Costa Mesa Development Fees (2019)</i>	



The City of Costa Mesa assesses impact fees on a project-by-project basis, taking into account the number of units proposed in the development and the impact these units may have on the local school district, parkland, circulation in the area, and sewage and water infrastructure. **Table 3-14** provides the development impact fees as they relate to the development of housing in Costa Mesa.

Table 3-14: Development Impact Fees		
Use		Fee
<b>Newport-Mesa Unified School District</b>		
Residential Developer Fees		\$1.84 per sq.ft. (additions under 500 sq.ft. may be exempt)
<b>Transportation</b>		
Low Density Residential (9.41 ADT)		\$235 per net trip
Medium Density Residential (7.5 ADT)		\$235 per net trip
High Density Residential (6.85 ADT)		\$235 per net trip
<b>Parkland</b>		
Single-Family Residential		\$13,572 per dwelling unit
Multi-Family Residential		\$13,829 per dwelling unit
Apartment		\$5,000 per dwelling unit
<b>Costa Mesa Sanitary District</b>		
Small New Development Plan Check		\$420
Large New Development Plan Check		\$1,260
Single Family Residential	1 Bedroom	\$3,083
	2 Bedrooms	\$4,029
	3 bedrooms	\$4,973
	4 Bedrooms	\$5,918
	5+ Bedrooms	\$6,912
Multi-Family Residential	Studio	\$1,591
	1 Bedroom	\$2,486
	2 Bedrooms	\$3,482
	3 bedrooms	\$4,426
	4+ Bedrooms	\$5,371
<b>San Juan Hill Trans. Corridor Agency</b>		
Single-Family Residential		\$4,448 per dwelling unit
Multi-Family Residential		\$2,595 per dwelling unit
<b>Mesa Water District</b>		
Service Establishment Fee		\$20/account
Sources: City of Costa Mesa and Other Agencies Development Fees (2019)		
Newport-Mesa Unified School District Developer Fees		
CMSD Sewer Connection Fees (2020)		

The development fees associated with each project is dependent on the housing type, density, intensity of use, and location. In addition to these direct fees, the total cost of development is contingent on the project meeting the City's policies and standards, as well as the project applicant submitting necessary documents and plans in a timely manner.



The estimated total development and impact fees for a typical single-family residential project, assuming it is not part of a subdivision and is consistent with existing city policies and regulations, can range from \$40,069 to \$45,069. Estimated total development and impact fees for a typical multi-family residential project with ten units, assuming it is consistent with existing city policies and regulations range from \$303,008 to \$308,008.

These estimates are illustrative in nature and actual costs are contingent upon unique circumstance inherent in individual development project applications. Considering the cost of land in Costa Mesa, and the International Code Council (ICC) estimates for cost of labor and materials, the combined costs of permits and fees range from approximately 3.98 percent to 4.48 percent of the direct cost of development for a single-family residential project and 4.27 percent to 4.34 percent for a multi-family residential project. Direct costs do not include, landscaping, connection fees, on/off-site improvements, shell construction or amenities. The percentage of development and impact fees charged by the City may be smaller if all direct and indirect costs are included.

## **10. On-/Off-Site Improvements**

Site improvements in the City consist of those typically associated with development for on-site improvements (street frontage improvements, curbs, gutters, sewer/water, and sidewalks), and off-site improvements caused by project impacts (drainage, parks, traffic, schools, and sewer/water). Because residential development cannot take place without the addition of adequate infrastructure, site improvement requirements are considered a regular component of development of housing within the City and may also influence the sale or rental price of housing. The majority of cost associated with on and off-site improvements is undertaken by the City and recovered in the City's development and impact fees.

The Costa Mesa Municipal Code requires that all abutting public rights-of-way must be fully improved to the full extent possible as required through the Master Plan of Highways, adopted specific plans, or applicable code sections as directed by the Public Services Department. On-site improvements may include, but are not limited to, curbs, gutters, sewers/water, sidewalks, and undergrounding utility lines for housing developments with at least five units. For example, a project may be accompanied by a condition to upgrade an existing sidewalk. Larger multi-family residential developments may also be conditioned to improve an intersection as a response to the change in traffic patterns. The required public improvements standards are used to ensure that the existing roadways adjacent to new residential construction maintain or provide the appropriate right-of-way. Street work permits are required to authorize construction in these areas.

On- and off-site improvements in Costa Mesa do not pose a constrain the development of housing. Although these improvements create an additional cost, they also ensure adequate services and infrastructure for residents and existing uses. In addition, the improvements are site and project specific. A multi-family project may require the addition of a sidewalk at a specific site, while the same project may not in a different location.





## **11. Building Codes and Enforcement**

The City of Costa Mesa's construction codes are based upon the California Code of Regulations, Title 24 that includes the California Administrative Code, Building Code, Residential Code, Electrical Code, Mechanical Code, Plumbing Code, Energy Code, Historical Building Code, Fire Code, Existing Building Code, Green Building Standards Code, and California Referenced Standards Code. These are considered to be the minimum necessary to protect the public health, safety, and welfare of the City's residents. In compliance with State law, the California Building Standards Code is revised and updated every three (3) years. The newest edition of the California Building Standards Code is the 2019 edition with an effective date of January 1, 2020.

Code enforcement is conducted by the City and is based on systematic enforcement in areas of concern and on a complaint basis throughout the city. The Code Enforcement Division works with property owners and renters to assist in meeting State health and safety codes. The Code Enforcement Division investigates complaints regarding violations of the Costa Mesa Municipal Codes. The City's caseload is complaint-based, and deals with issues such as unpermitted structures, poor property maintenance, debris accumulation, and inappropriate storage of vehicles or materials with the intention and goal of working with the community to help resolve issues through voluntary compliance. On average, there are 1,292 total code enforcement cases generated per year.

## **12. Local Processing and Permit Procedures**

The development community commonly cites the permit processing time as a contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application submittal to project approval may vary considerably. Factors that can affect the length of development review on a proposed project include the completeness of the development application and the responsiveness of developers to staff comments and requests for information. Approval times are substantially lengthened for projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendments, or encounter community opposition. Applicants for all permits or reviews are recommended to request a pre-application meeting with the respective department to: confirm City requirements as they apply to the proposed project; review the City's review process, possible project alternatives or revisions; and identify information and materials the City will require with the application, and any necessary technical studies and information relating to the environmental review of the project.

All permit applications are first reviewed by City Staff for completeness, and discretionary applications must then receive a recommendation through a staff report prior to a review by the appropriate authority. Various applications may also require public noticing and a public hearing. **Table 3-15** below identifies the appropriate review process for each planning permit application.



Table 3-15: Planning Application Review Process

Planning Application	Public Notice Required	Public Hearing Required	Recommending Authority	Final Review Authority	Notice of Decision
Development Review	No	No	None	Planning Division	No
Minor Modification					
Lot Line Adjustment	No	No	None	Planning Division	No
Administrative Adjustment	Yes	No	None	Zoning Administrator	Yes
Minor Conditional Use Permit					
Minor Design Review					
Planned Signing Program					
Design Review	Yes	Yes	Planning Division	Planning Commission	Yes
Mobile Home Park Conversion					
Common Interest Development Conversion					
Specific Plan Conformity Review					
Tentative Parcel Map					
Tentative Tract Map					
Variance	Yes	Yes	Planning Division	Planning Commission <sup>(1)</sup>	Yes
Conditional Use Permit					
Density Bonus					
Master Plan					
Master Plan – Preliminary	Yes	Yes	Planning Commission	Redevelopment Agency	Yes
Redevelopment Action					
Rezone	Yes	Yes	Planning Commission <sup>(2)</sup>	City Council	No
Local Register of Historic Places	No	No	Planning Commission <sup>(3)</sup>	City Council	Yes
Certificate of Appropriateness	No	No	Planning Commission <sup>(3)</sup>	Planning Commission <sup>(3)</sup>	No

Note:

(1) Except where noted otherwise in the Zoning Code.

(2) If located in a redevelopment project area, the Redevelopment Authority is the recommending authority.

(3) Or other commission/committee as designated by the City Council.

Source: City of Costa Mesa Municipal Code Section 13-29. Planning Application Review Process



### Development Reviews

A Development Review is the processing of a development plan when authority is vested in the Planning Division. The following are subject to development review:

- **Single-Story Residential Construction:** In the R2-MD, R2-HD, and R3 zones, any single-story construction of 2 or fewer new single-story dwelling units. Exception: New single-story accessory buildings, such as garages or carports, single-story room additions, and other minor construction that comply with all applicable development standards shall not be subject to development review but shall be reviewed by the Planning Division.
- **Two-Story Residential Construction:** In the R2-MD, R2-HD, and R3 zones, any two-story construction on a lot where there are 2 or fewer dwelling units or any second-story addition on a lot with more than 2 dwelling units that complies with any residential design guidelines adopted by City Council.
- Construction of new buildings or additions to existing buildings in the AP, CL, C1, C2, C1-S, MG, or MP zones. However, building additions that do not exceed 2,000 square feet or 50 percent of the existing building area, whichever is less, and comply with all applicable development standards shall not be subject to development review.
- Lot Line Adjustments.
- Any other uses specified in the City's Zoning Code as requiring development review.

### Conditional Use Permits

A Conditional Use Permit requires a discretionary approval which is usually granted by the Planning Commission and allows a use or activity not allowed as a matter of right, based on specified findings.

## C. Infrastructure Constraints

Another factor that may constrain new residential construction is the requirement and cost to provide adequate infrastructure (major and local streets; water and sewer lines; and street lighting) needed to serve new residential development. In most cases, where new infrastructure is required, it is funded by the developer and then dedicated to the City, which is then responsible for its maintenance. Because the cost of these facilities is generally borne by developers, it increases the cost of new construction, with much of that increased cost often "passed on" as part of home rental or sales rates.

### 1. Water Supply

The Mesa Water District is responsible for providing safe, local, and reliable water to 110,000 customers in Costa Mesa, as well as some parts of Newport Beach and unincorporated areas of Orange County. Mesa Water pumps water from Orange County's groundwater basin, which is located beneath north-central Orange County between Irvine and the Los Angeles County border and from Yorba Linda to the Pacific Ocean. The groundwater basin derives its water from the Santa Ana River and imported water from the Metropolitan Water District of Southern California. Mesa Water does not depend on other water sources, however, water from Northern California and the Colorado River can be imported as necessary.



In addition to Mesa Water District, a small portion of the City to the east, south of the John Wayne Airport, receives its water from the Irvine Ranch Water District (IRWD). Approximately 50 percent of the IRWD water supply is derived from the Orange County Groundwater Basin. The remaining amount comes from recycled water (23 percent) and potable water imported from MWD (27 percent).

## **2. Water Production**

The independent special district pumps, treats, and delivers about 5 billion gallons of drinking water to homes and businesses per year. The system includes 317 miles of pipeline, 7 wells, 2 reservoirs and the Mesa Water Reliability Facility (MWRF/ “Murph”). The MWRF features 2 deep-water wells, a million-gallon reservoir and nanofiltration technology for water treatment.<sup>1</sup>

## **3. Water Quality**

Mesa Water provides safe, drinking water to the community and is considered the most efficient water provider of the 10 Orange County water districts. The water is naturally filtrated through sand and gravel as the Orange County groundwater basin is replenished from the Santa Ana River. Before it enters the distribution system, the water is treated and disinfected with chloramines, which include chlorine and ammonia. In addition to the groundwater, Mesa Water also uses source water from the MWRF, which is safe to drink prior to treatment but has an amber tint. Nanofiltration technology is used to remove the tint prior to adding it to the water supply.<sup>1</sup>

In the event of an emergency, Mesa Water would be provided with water from the Municipal Water District of Orange County (MWDOC), which sources its water from the State Water Project and the Colorado River. The imported water is filtered at Metropolitan’s Diemer and Weymouth Filtration Plants where the water is also disinfected with chloramines.

According to Mesa Water District and the City of Costa Mesa Conservation Element, access to water does pose a constraint to the development of housing in the City. Mesa Water District has adopted and regularly updates an Urban Water Management Plan in order to ensure an adequate supply of water for the following 5 years, and the District continuously maintains the reservoir, water mains, and wells. Through continued community outreach and water conservation strategies, the City and the District are able to conserve more water than before – customers have reduced their water usage by 20 percent since 2015<sup>2</sup>.

## **4. Wastewater**

Wastewater includes used water, solids, storm water, surface water, groundwater infiltration, and used water from industrial processes, which flows to a treatment plant. Costa Mesa Sanitary District (CMSD) oversees 224.2 miles of gravity sewer mains and, as of 2019, a total of 47,471 connections to single-family residences, multi-family residences, commercial properties, and industrial properties. The District continuously cleans the collection system and uses closed circuit televising (CCTV) to identify problems and ensure quick maintenance. Twenty (20) sewer pumps are located throughout the collection system to maintain gravity flow and continuously report data to the headquarters. Standby generators and bypass

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<sup>1</sup> Mesa Water District

<sup>2</sup> Mesa Water District





pumps are also used in case of emergency. Wastewater collected by CMSD is sent to and treated at the Orange County Sanitation District (OCSD)<sup>3</sup>.

Wastewater does not pose a constraint on the development of housing in the City. Given the sufficient infrastructure, access to services, and continuous maintenance, CMSD is confident it can continue to serve the Costa Mesa community through the addition of more housing. Furthermore, CMSD has developed a Sewer Management Plan which ensures the District avoids sewage spills and maintains adequate facilities.

## ***5. Fire and Emergency Services***

The City of Costa Mesa's Fire & Rescue Department aims to protect life, property, and the environment using highly trained professionals committed to service excellence. Across six fire stations and City Hall, the Department has 94 full-time employees, 84 sworn positions, ten non-sworn positions, and the equivalent of one full-time position with part-time staff to provide 24-hour protection and response to the community's residents, businesses, and visitors. The Costa Mesa Fire & Rescue Department is an "all-risk" and "all-hazard" organization.

### ***Fire Administration Division***

The Fire Administration Division provides direction for strategic, operational, and emergency planning through the following:

- Establish policies and procedures;
- Coordinate internal functions of all divisions, programs, and external functions with other City departments and community organizations;
- Develop and manage the budget;
- Coordinate ordering and purchasing;
- Manage the Department's human resources;
- Coordinate additional functions and performs duties as delegated by the City Manager or the City Council;
- Continue to manage and safeguard the City's rights for local control, including the Emergency Medical Services (EMS) system, as expressly guaranteed by the Health & Safety Code Section 1797.201.

### ***Operations Division***

This Division manages Fire, Rescue, and Emergency Medical Services and maintains constant readiness to answer calls for assistance. The Division is tasked with responding to fire, rescue, and environmental emergencies that threaten life, health, and property. The Division also provides fire cause and origin determinations, life and safety inspections, and educational programs. To support these services, the Division offers the following services: emergency planning, communications, training and education, equipment maintenance and repair, supplies, records, and quality control.

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<sup>3</sup> Costa Mesa Sanitary District



### **Community Risk Reduction Division**

This Division works to prevent and reduce risks to the community by enforcing protections standards and fire and life safety codes through fire prevention, planning, and code enforcement. The Department achieves such goals by doing the following:

- Reviewing building construction plans;
- Conducting building construction and business inspections;
- Investigating citizen complaints;
- Monitoring the City's hazardous materials disclosure program as Certified Unified Program Agency (CUPA) liaison to the Orange County Environmental Health Division;
- Providing training to department personnel regarding fire and life safety codes; and
- Assisting professional trades with technical fire code requirements and department public education efforts.

Community risk reduction and fire prevention strategies are critical components for new development projects and throughout the life of the building. During the entitlement and pre-construction phases of a new building or tenant improvement project, the CRR team applies the California Fire Code (CFC) and locally adopted amendments to building and fire system plan review to ensure conformance to state and international standards. Once plans are reviewed and approved and building permits are issued, Fire Protection Specialists perform technical inspections and acceptance tests of fire protection systems and building construction for Fire & Life Safety compliance. After the Certificate of Occupancy is issued for a new building or tenant improvement, Annual Operational Fire Permits are issued based on the hazard of the use, and Company Inspections are conducted to complete emergency response pre-planning operations and verify ongoing compliance with the CFC.

Fire and Emergency Services provide sufficient services which would not cause a strain on the Department's ability to respond to community emergencies. The City recognizes in its General Plan Safety Element that additional emergency services and funding will be required as the population ages and additional residents and employees come to the City; however, this is addressed and maintained in the Safety Element's goals and policies. The existing six facilities are spread out throughout the City in such a way to provide the fastest service possible; the Department aims to respond to at least 80 percent of emergency calls within 5 minutes. In addition, no part of Costa Mesa lies within a State Responsibility Area (SRA), which indicates a fire hazard area, nor the very High Fire Severity Zone<sup>4</sup>.

## **6. Police Services**

The Police Department is tasked with protecting life and property while preserving the peace. As of 2020, the department has 215 full-time positions, of which 138 are sworn and 77 are professional staff. Full-time staffing is composed of 13 management positions, 32 supervisory, and 170 line-level positions. Part-time staffing consists of 21.21 full-time equivalents. The department is comprised of three divisions and each division is further split into bureaus and units.

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<sup>4</sup> Costa Mesa Safety Element



The three divisions are as follows:

- Police Administration
- Police Field Operations
- Police Support Services

### **Administration Division**

The Administration Division is responsible for the department's overall direction and planning with input from other divisions; provides advice to the city manager and the City Council on public safety issues; manages the department budget and financial planning; oversees the department's Volunteer Program and Citizens' Academy through the Crime Prevention Unit; maintains and updates the department's policy and procedures manual; coordinates and disseminates information to the media; provides internal investigation services through the Professional Standards Unit; and supervises training and recruitment. Administration is comprised of the following bureaus and units:

- Professional Standards
- Public Affairs & Crime Prevention
- Training & Recruitment
- The Office of Emergency Management (OEM)

### **Field Operations Division**

The Field Operations Division provides public safety services through both geographic-based and community-oriented policing. In January 2008, the Costa Mesa Police Department (CMPD) implemented geographic-based policing, which divided the City into two areas, based upon calls for service and geographical boundaries. Each area is overseen by a lieutenant who is the designated area commander for either Area 1 or Area 2. The area commanders are responsible for the delivery of police services to the communities within the designated geographical area.

Field Operations is comprised of three bureaus:

- Patrol Services
- Traffic Safety
- Field Operations Administration

Within the three bureaus, there are various specialized units that provide specific police services. They include Patrol, Traffic Safety, Community Policing Unit, South Coast Plaza Detail, K9 Unit, Reserve Program and Park Rangers.

### **Support Services Division**

The Support Services Division is responsible for specialized investigations and provides essential logistical support services to the Police Department. It is responsible for computer-related activities associated with the 24-hour operation of the City's public safety computer system; and responsible for the research and



development of numerous programs, including safety equipment, new laws and regulations, and policy development. Support Services is comprised of the following bureaus:

- Investigative Services Bur
- Records and Evidence
- Telecommunications

The City contracts with G4S Secure Solutions (USA) Inc. for jail services and the City of Huntington Beach for airborne law enforcement services.

## D. Environmental Constraints

The City of Costa Mesa contains a variety of natural landscapes and environmental features, which may cause constraints to the development of housing. The City is located approximately one mile from the Pacific Ocean, directly alongside the Santa Ana River, and atop an uplifted mesa. As with most of California cities, the City of Costa Mesa sits along major fault lines. In total, the City is susceptible to a variety of environmental hazards that could affect housing, including fires, flooding, and geological and seismic hazards.

### 1. Geologic and Seismic Hazards

According to the Costa Mesa Safety Element of the General Plan, geologic risks are defined as those associated with geological hazards such as seismically induced surface rupture, ground shaking, ground failure, tsunamis, seiches and dam failure, and slope instability leading to mudslides, landslides, and subsidence. The specific geological hazards that may affect the development of housing the City are detail below.

### 2. Mineral Resources

The City is located over portions of the West Newport Oil Field, particularly on the west side. The Safety Element of the General Plan identifies 15 active oil wells located west of Irvine Avenue, east of the City boundary with Huntington Beach, north of 16<sup>th</sup> Street, and south of Baker Street. Another 132 oil wells exist in the City; however, they are either plugged and abandoned, idle, or buried.

In addition to oil, peat deposits have been found adjacent to the Santa Ana River. While the quantity does not justify extraction, it is an unstable base for construction and requires removal prior to development. This may create a constraint to the development of housing as it creates additional costs to remove the peat deposits.

### 3. Seismic Hazards

The City of Costa Mesa is located near several active earthquake faults such as the Newport-Inglewood Fault Zone and the San Joaquin Hills Fault Zone, which would prove the most damaging to the City in the event of an earthquake. Other faults such as the San Andreas, Whittier, Elsinore, Palos Verdes, and Puente Hills Faults are located further away and would potentially cause less direct damage to the City's infrastructure, depending on the magnitude of the quake. The Safety Element notes indirect impact to the





City resulting from a severe quake of one of these faults, particularly the San Andreas Fault, includes the need to provide aid, an infusion of households seeking housing, and mass care and sheltering services.

The General Plan Safety Element defines ground shaking as resulting from seismic activity which may be intensified depending on the recorded magnitude and duration of the quake, proximity to the ruptured fault, and the presence of deeper soft soils below the ground surface. The Newport-Inglewood Fault runs directly through the City; the largest quake from this fault was in 1933 at a recorded magnitude of 6.3 on the Richter scale. The San Joaquin Hills Fault is located near Huntington Beach and it is estimated a rupture of this blind thrust fault could result in a magnitude 7.3 quake. The third most likely seismic hazard to the City of Costa Mesa is from the San Andreas Fault, which is expected to produce a magnitude 6.8 to 8 quake in the near future. While the fault is located approximately 48 miles from the City, a quake from the fault may result in simultaneous ruptures of nearby faults. The Safety Element notes a major earthquake occurs on this zone approximately every 145 years; 2002 marked 145 years since the last major rupture.

Given the extent of seismically active areas in California, any new residential structures will face potential hazards. The location of the City of Costa Mesa on relatively flat land improves enable it to provide a safer location for development in comparison to neighboring cities with steep slopes or along the Pacific Ocean. Therefore, seismic activity in Costa Mesa does not create a burden or constraint to the development of housing.

#### **4. Flood Hazards**

The City of Costa Mesa and surrounding areas are, like most of Southern California, subject to unpredictable seasonal rainfall, and every few years the region is subjected to periods of intense and sustained precipitation that result in flooding. Flooding can be a destructive natural hazard and is a recurring event. A flood is any relatively high streamflow overtopping the natural or artificial banks in any reach of a stream. The City of Costa Mesa's Safety Element identifies 100-year and 500-year flood zones in the City. Federal Emergency Management Agency (FEMA) flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. Each zone reflects the severity or type of flooding in the area.<sup>5</sup> The 100-year flood zone are areas with a one percent annual chance of flooding, the 500-year flood zones are areas with a 0.2 percent annual chance of flooding. The City's Safety Element cites 100-year floods as potentially having low impacts on the City with minimal flooding in the channels adjacent to Talbert Nature Preserve. A 500-year flood would pose flooding dangers to the northern and western boundaries of the City.

With increased development, there is also an increase in impervious surfaces, such as asphalt. Water that used to be absorbed into the ground becomes runoff to downstream areas. However, various flood control measures help mitigate flood damage in the City, including reservoirs in the San Joaquin Hills and Santa Ana Mountain foothills, and channel alterations for the Santa Ana River. These structures help regulate flow in the Santa Ana River, San Diego Creek, and smaller streams and hold back some of the flow during intense rainfall period that could otherwise overwhelm the storm drain system in Costa Mesa.

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<sup>5</sup> FEMA Flood Zone Designations, Natural resources Conservation Service – Field Office Technical Guides



## **5. Dam Inundation**

Costa Mesa and numerous other Orange County cities are protected from flooding by both the Santiago Creek Dam and the Prado Dam. The Santiago Creek Dam serves to protect from flooding of the Irvine Lake, approximately 15 miles from the City. While it historically provided irrigation for agriculture, the water is now protected within the reservoir and downstream flow only occurs from seepage and storm water. The Prado Dam is located approximately 30 miles from the City and is continuously improved and maintained by the U.S. Army Corps of Engineers. Recent improvements to the dam have added 190 years of protection. However, should failure occur to either of the dams, flooding would likely occur in the northern and western portions of the City. Such a flood would cause varying degrees of damage to structures north of the San Diego Freeway (I-405) and up to approximately one-mile east of the Santa Ana River. The threat of flooding in these areas due to dam failure is a constraint on the development of housing.

## **6. Sea Level Rise**

Sea level rise is an important consequence of anthropogenic climate change – resulting from human activity – to coastal communities. Sea level rise may affect Costa Mesa through flooding in low-lying areas, water infiltration into sanitary sewer and storm drain systems, and earthquake-induced tsunami flooding. The City's location along the Santa Ana River places it at risk of these impacts; the City's Safety Element identifies areas to the west of the City, near Talbert Regional Park and Fairview Park, that will become inundated by unimpeded Pacific coastal flooding under a scenario of 100-year flood with a 55-inch (1.4 meters) sea level rise. A 100-year flood risk does not pose significant risk to developments in the City and would likely result in flooding within the channels adjacent to the Talbert Nature Preserve; however, a 500-year flood event would cause significant flooding in the northern and west regions of the City and therefore poses a minimal constraint on housing development. The potential hazard is minimal as the chances of a 500-year floor occurring each year is 0.2 percent.

## **7. Fire Hazards**

The Costa Mesa Safety Element determines the fire hazard severity of an area by the amount and type of vegetation, slope gradient, and weather. Wildfires are particularly prone during late summer and early fall, and during Santa Ana wind events. The Department of Forestry and Fire Protection (Cal Fire) does not list any area within Costa Mesa as a Very High Fire Hazard Severity Zone. The most likely fire risk within the City comes from urban and grassland fires in open spaces, such as Talbert Regional Park. A direct threat from fire is not a significant risk for housing development in Costa Mesa; poor air quality from local and State fires, however, may pose significant health risks to the Costa Mesa population.



## E. Affirmatively Furthering Fair Housing (AFFH)

Beginning January 1, 2019, AB 686 established new requirements for all California jurisdictions to ensure that local laws, programs, and activities affirmatively further fair housing. All Housing Elements due on or after January 1, 2021 must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Further Fair Housing Final Rule of July 16, 2015.

Fair housing is a condition in which individuals of similar income levels in the same housing market have like ranges of choice available to them regardless of race, color, ancestry, national origin, age, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor. Under State law, affirmatively further fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. These characteristics can include, but are not limited to race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

The Analysis of Impediments to Fair Housing Choice (Impediments Analysis), prepared for the County of Orange, examines local housing conditions, economics, policies, and practices in order to ensure that housing choices and opportunities for all residents are available in an environment free from discrimination. The (Impediments Analysis) assembles fair housing information, identifies any existing impediments that limit housing choice, and proposes actions to mitigate those impediments. The Regional (Impediments Analysis) examines fair housing issues in the County’s unincorporated areas and cooperating cities from 2020 to 2024, it includes additional fair housing issues and data for the City of Costa Mesa.

### 1. Needs Assessment

The (Impediments Analysis) contains a Countywide analysis of demographic, housing, and specifically fair housing issues in the City of Costa Mesa. The City's demographic and income profile, household and housing characteristics, housing cost and availability, and special needs populations were discussed in the previous **Chapter 2: Community Profile**.

#### *Impediments Analysis Outreach FY 2019-2024*

As a part of the Regional Analysis for the County, a series of outreach workshops and events were hosted, including the following:

- Outreach by the Lawyers’ Committee to tenants, landlords, homeowners, fair housing organizations, civil rights and advocacy organizations, legal services providers, social services providers, housing developers, and industry groups;
- Stakeholder and focus group meetings organized by the Lawyers’ Committee in Mission Viejo, Westminster/Garden Grove, Santa Ana, and Fullerton;
- Community meetings across Orange County with additional outreach to members of protected classes, including the Latino and Vietnamese communities; and
- Virtual public hearings and City Council meetings.



### **Fair Housing Issues**

Within the legal framework of federal and state laws and based on the guidance provided by the HUD Fair Housing Planning Guide, impediments to fair housing choice can be defined as:

- Any actions, omissions, or decisions taken because of age, race, color, ancestry, national origin, age, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor which restrict housing choices or the availability of housing choices; or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of age, race, color, ancestry, national origin, age, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor.

As a part of the 2019-2024 AI, the County identified fair housing impediments including the following:

- Housing Discrimination
- Reasonable Accommodations
- Density Bonus Incentive
- Zoning
- Affordable Homeownership
- Racial and Ethnic Segregation
- Unfair Lending
- Discriminatory Advertising
- Cost Burden
- Accessibility

### **Local Contributing Factors**

Of the fair housing impediments listed in the Regional AI, the City of Costa Mesa was identified as experiencing the following local contributing factors as impediments to fair housing choice:

- Housing Discrimination
- Racial and Ethnic Segregation
- Unfair Lending
- Overcrowding

Local contributing factors are detailed further below in Section E.4 “Assessment of Contributing Factors to Fair Housing”.

### **Lending Patterns**

Availability of financing affects a person’s ability to purchase or improve a home. The analysis of the lending patterns and practices within a community or city help to identify persons who are regularly experience disproportionate roadblocks to home ownership. **Table 3-16** below identifies the lending patterns by race and ethnicity, as well as income category for the Anaheim-Santa Ana-Irvine MSA. According to the data, applicant in the highest income category were more likely to have a loan approved, compared to applicants in the lower income categories where approval rates were consistently under 55 percent. Additionally, within each income category, applicants who identified as White consistently had higher rates of approval than applicant of color. Overall, applicants who identified as Native Hawaiian/Pacific Islander, American Indian/Alaska Native, and Black/African American had the lowest rates of loan approval in all income categories.



Table 3-16: Disposition of Loan Applications by Race/Ethnicity– Anaheim-Santa Ana-Irvine MSA				
Applications by Race/Ethnicity	Percent Approved	Percent Denied	Percent Other	Total (Count)
<b>LESS THAN 50% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	26.2%	52.3%	23.1%	65
Asian	33.9%	42.5%	26.7%	1,382
Black or African American	41.6%	33.7%	25.8%	89
Native Hawaiian or other Pacific Islander	25.0%	44.2%	30.8%	52
White	45.6%	31.2%	26.1%	5,240
Hispanic or Latino	37.9%	38.2%	26.8%	1,566
<b>50-79% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	38.1%	34.0%	29.9%	97
Asian	53.3%	25.3%	29.4%	3,153
Black or African American	43.4%	19.1%	41.4%	152
Native Hawaiian or other Pacific Islander	49.4%	39.8%	16.9%	83
White	54.5%	23.3%	27.6%	8,677
Hispanic or Latino	47.6%	27.7%	29.3%	3,245
<b>80-99% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	51.4%	25.7%	31.4%	35
Asian	59.5%	19.2%	29.3%	1,495
Black or African American	52.9%	22.1%	30.9%	68
Native Hawaiian or other Pacific Islander	43.5%	13.0%	43.5%	23
White	61.9%	17.2%	26.1%	3,873
Hispanic or Latino	54.0%	21.4%	29.1%	1,347
<b>100-119% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	48.9%	22.7%	29.5%	88
Asian	62.3%	15.6%	28.8%	4,820
Black or African American	55.6%	20.1%	28.6%	234
Native Hawaiian or other Pacific Islander	49.4%	27.6%	31.0%	87
White	66.2%	13.8%	25.1%	12,607
Hispanic or Latino	60.8%	16.4%	26.8%	3,398
<b>120% OR MORE OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	59.2%	13.0%	32.0%	169
Asian	62.8%	12.9%	29.0%	17,800
Black or African American	57.7%	17.3%	27.2%	624
Native Hawaiian or other Pacific Islander	64.2%	11.4%	26.8%	254
White	68.3%	11.3%	24.9%	49,811
Hispanic or Latino	64.6%	13.3%	26.7%	6,095
Source: Consumer Financial Protection Bureau, Disposition of loan applications, by Ethnicity/Race of applicant, 2019.				





### Hate Crimes

Hate crimes are violent acts against people, property, or organizations because of the group to which they belong or identify with. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate, or act violently toward a person who has exercised their right to free housing choice. In Orange County, there were a total of 9 hate crimes reported in 2019. **Table 3-17** below identifies the reported hate crimes in Costa Mesa between 2014 and 2019. Data for hate crimes reported in Costa Mesa was not available by bias for the years 2014-2016 and 2018. However, in 2017 and 2019 a total of 5 hate crimes were reported in the City, all of which were motivated by race, ethnicity, or ancestry.

Year	Race/Ethnicity/ Ancestry	Religion	Sexual orientation	Disability	Gender	Gender Identity	Total
2014	NA	NA	NA	NA	NA	NA	0
2015	NA	NA	NA	NA	NA	NA	0
2016	NA	NA	NA	NA	NA	NA	0
2017	2	0	0	0	0	0	2
2018	NA	NA	NA	NA	NA	NA	0
2019	3	0	0	0	0	0	3
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

*Source: Federal Bureau of Investigation, Uniform Crime Reporting. Hate Crime Statistics Report, 2014, 2015, 2016, 2017, 2018, and 2019.*

### Fair Housing Enforcement and Outreach Capacity

The City of Costa Mesa utilizes the Fair Housing Foundation. The Fair Housing Foundation was formed in 1964 to support and promote freedom of residence through education, advocacy, and litigation, to ensure that all persons have the opportunity to secure safe and decent housing that they desire and can afford. The Fair Housing Foundation is dedicated to eliminating discrimination in housing and promoting equal access to housing choices for everyone.

The City of Costa Mesa has identified the following goals regarding fair housing in collaboration with the Fair Housing Foundation:

- Provide fair housing education and information to apartment managers and homeowner associations on why denial of reasonable modifications/accommodations is unlawful.
- Conduct multi-faceted fair housing outreach to tenants, landlords, property owners, realtors, and property management companies. Methods of outreach may include workshops, informational booths, presentations to community groups, and distribution of multi-lingual fair housing literature.



## 2. Analysis of Federal, State, and Local Data and Local Knowledge

### Integration and Segregation Patterns and Trends

The dissimilarity index is the most used measure of segregation between two groups, reflecting their relative distributions across neighborhoods (as defined by census tracts). The index represents the percentage of the minority group that would have to move to new neighborhoods to achieve perfect integration of that group. An index score can range in value from 0 percent, indicating complete integration, to 100 percent, indicating complete segregation. An index number above 60 is considered to show high similarity and a segregated community.

It is important to note that segregation is a complex topic, difficult to generalize, and is influenced by many factors. Individual choices can be a cause of segregation, with some residents choosing to live among people of their own race or ethnic group. For instance, recent immigrants often depend on nearby relatives, friends, and ethnic institutions to help them adjust to a new country.<sup>6</sup> Alternatively, when white residents leave neighborhoods that become more diverse, those neighborhoods can become segregated. Other factors, including housing market dynamics, availability of lending to different ethnic groups, availability of affordable housing, and discrimination can also cause residential segregation.

**Figure 3-1** shows the dissimilarity between each of the identified race and ethnic groups and Costa Mesa's White population. The White population within Costa Mesa makes up the majority of the City's population at approximately 71 percent according to 2019 American Community Survey (ACS) estimates.

The higher scores shown in the figure below, directly indicate higher levels of segregation among those race and ethnic groups. The race and ethnic groups with the high scores were Native Hawaiian (52.4 percent) and Hispanic (51.8 percent). These scores correlate directly with the percentage of people within that racial or ethnic group that would need to move into a predominantly White census tract in order to achieve a more integrated community. For instance, 52.4 percent of the Native Hawaiian population would need to move into predominantly White census tract areas to achieve "perfect" integration, or 51.8 percent of the Hispanic population would need to move into predominantly White census tract areas for perfect integration.

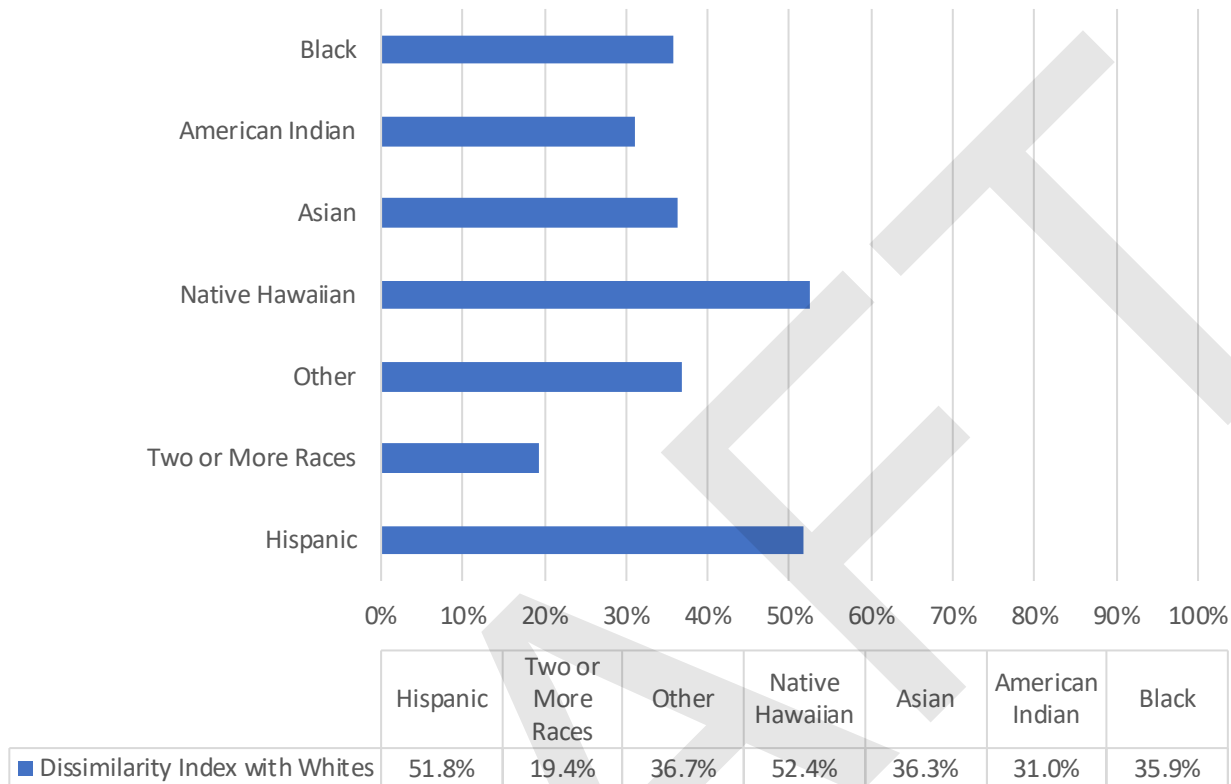
As indicated above, a score of 60 or higher indicates a highly similar and segregated area. The City does not have any racial or ethnic groups with scores higher than 60. However, scores above 30 indicate moderate levels of segregation. It is important to note the areas where moderate segregation occurs in order for Costa Mesa to understand any additional disparities in access to opportunities or housing, as well as identify lack of resources for the communities. In the City of Costa Mesa, all racial and ethnic groups, except for those who identify as two or more races, show a score of 30 or greater dissimilarity index. The City of Costa Mesa is committed to furthering fair housing access and increasing fair housing opportunities to communities of color.

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<sup>6</sup> Allen, James P. and Turner, Eugene. "Changing Faces, Changing Places: Mapping Southern California". California State University, Northridge, (2002).



Figure 3-1: Dissimilarity Index with White Population in Costa Mesa



Source: Census Scope, Social Science Data Analysis Network

### **Racially or Ethnically Concentrated Areas of Poverty (R/ECAP)**

To assist communities in identifying racially/ethnically concentrated areas of poverty (R/ECAPs), HUD has developed a census tract-based definition of R/ECAPs. The definition involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold is straightforward: R/ECAPs must have a non-white population of 50 percent or more. Regarding the poverty threshold, Wilson (1980) defines neighborhoods of extreme poverty as census tracts with 40 percent or more of individuals living at or below the poverty line. Because overall poverty levels are substantially lower in many parts of the country, HUD supplements this with an alternate criterion. Thus, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Location of residence can have a substantial effect on mental and physical health, education opportunities, and economic opportunities. Urban areas that are more residentially segregated by race and income tend to have lower levels of upward economic mobility than other areas. Research has found that racial inequality is thus amplified by residential segregation. However, these areas may also provide different opportunities, such as ethnic enclaves providing proximity to centers of cultural significance, or business, social networks, and communities to help immigrants preserve cultural identity and establish themselves in new places. Overall, it is important to study and identify these areas in order to understand patterns of segregation and poverty in a City.



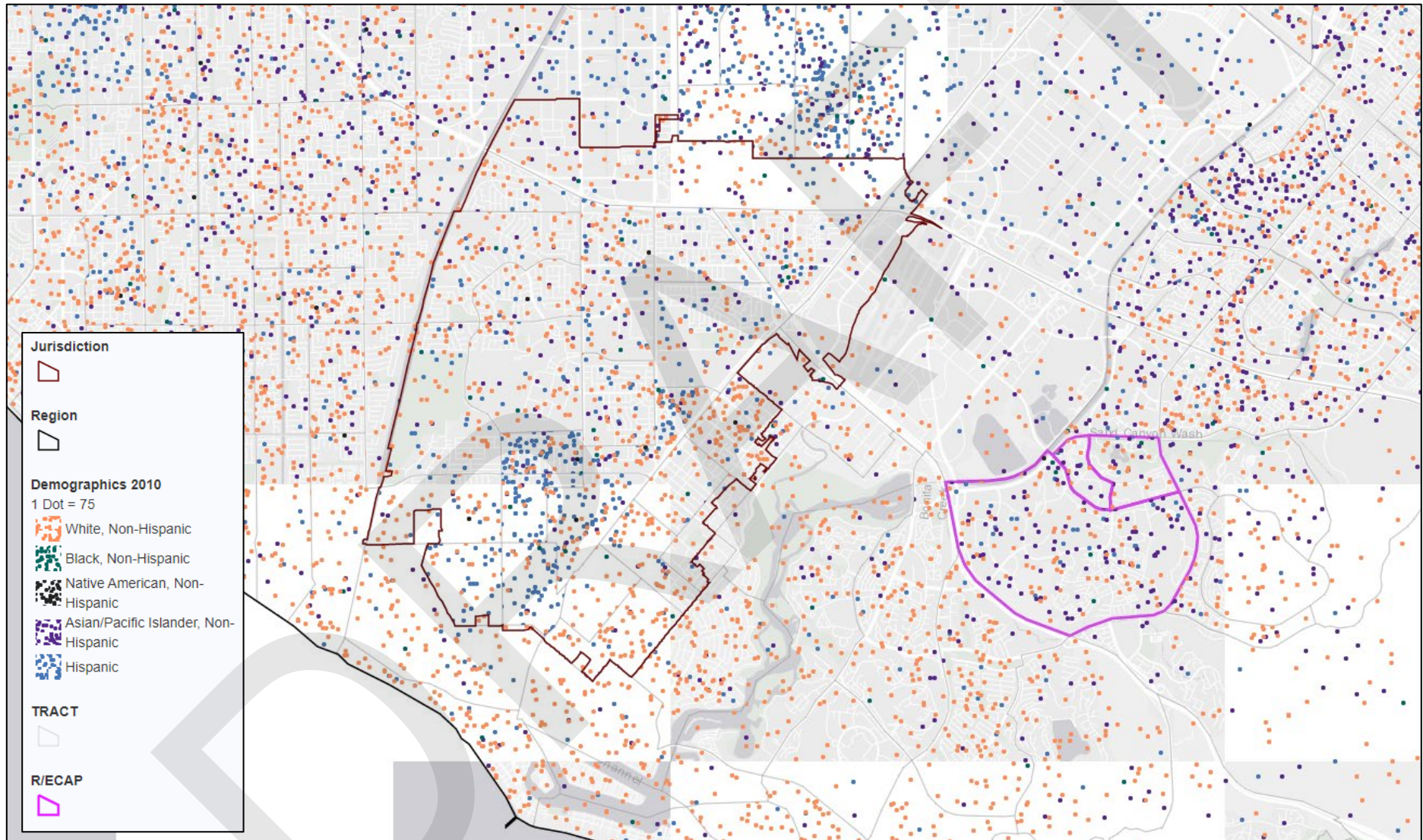
**Figure 3-2** below displays the R/ECAP analysis of the Costa Mesa area. The low poverty index captures the depth and intensity of poverty in a given neighborhood. The index uses both family poverty rates and public assistance receipt, in the form of cash-welfare, such as Temporary Assistance for Needy Families (TANF). The poverty rate and public assistance for neighborhoods are determined at the census tract level, and the higher the score, the less exposure to poverty in a neighborhood. HUD provides data for the entire Orange County region, and not Costa Mesa specific, as shown in the map. **Figure 3-2** shows that Costa Mesa has a pocket of concentrated Hispanic population towards the southern central region of the City. The eastern region of the City is shown to be mostly made up of concentrated White, Non-Hispanic, population. There is also a minor concentration of Hispanic and Native American, Non-Hispanic, populations in the SoBECA area of Northern Costa Mesa.

While there are no R/ECAP areas within the City, **Figure 3-2** shows one in the nearby City of Irvine surrounding the University of California – Irvine campus. According to the AI, it is likely that they qualify as R/ECAPs due to the high proportions of students. In addition, the figure shows a large concentration of Hispanic population directly north of Costa Mesa in the City of Santa Ana. The City of Costa Mesa is committed to increasing housing mobility opportunities for persons outside of the City and in Orange County as a whole. **Chapter 4: Housing Plan** of this Housing Element outlines housing opportunity, affordable housing, and fair housing strategies to increase opportunities to all households.





Figure 3-2: R/ECAP Areas, City of Costa Mesa



Source: HUD Affirmatively Furthering Fair Housing Data and Mapping Tool, Data Versions: AFFHT0006, April 28, 2021





### *Racially or Ethnically Concentrated Areas of Affluence*

Racially or Ethnically Concentrated Areas of Poverty have long been analyzed and reviewed as a contributing factor to segregation. However, patterns of segregation in the United States show that of all racial groups, the White population is the most severely insulated (separated from other racial groups).<sup>7</sup> Research also identifies segregation of affluence to be greater than the segregation of poverty. Racial and economic segregation can have significant effects on respective communities, including but not limited to, socioeconomic disparities, educational experiences and benefits, exposure to environmental conditions and crime, and access to public goods and services.

Data used in the analysis of Racially Concentrated Areas of Affluence (RCAA) is from the 2012-2016 American Community Survey and measured at the census tract level. The definition for an RCAA is a census tract in which 80 percent or more of the population is White and has a median income of at least \$125,000. The nationwide RCAA analysis identifies the following:

- RCAA tracts have more than twice the median household income of the average tract in their metro area.
- Poverty rates in RCAAs are significantly lower and are, on average about 20 percent of a typical tract.
- RCAAs tracts are more income homogenous than R/ECAPs.
- The average RCAA is about 57 percent affluent, whereas the average R/ECAP had a poverty rate of 48 percent.
- The typical RCAA tract has a rate of affluence 3.2 times that of a typical tract, whereas R/ECAPs on average had a poverty rate 3.2 times that of a typical tract.

Overall, RCAAs may represent a public policy issue to the extent that they have been created and maintained through exclusionary and discriminatory land use and development practices. Postwar patterns of suburbanization in many metropolitan areas were characterized by White communities erecting barriers to affordable housing and engaging in racially exclusionary practices. **Figure 3-3** shows that a few portions of the City of Costa Mesa have large White populations – predominantly towards the eastern region of the City and the north-western region. The region to the east of the 55 Freeway in particular reports a large majority White population, as well as an area on the western edge just southern of the 405 Freeway. An RCAA is identified when an area has a majority White population and a median income greater than \$125,000. **Figure 3-4** shows the majority White areas identified in **Figure 3-3** overlap with median incomes greater than \$125,000; therefore, the City of Costa Mesa does have a few racially or ethnically concentrated area of affluence. **Table 3-18** displays the RCAAs for Costa Mesa, and **Table 3-19** shows local (Costa Mesa) and regional (Orange County) context for the median household incomes of White residents.

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<sup>7</sup> Racially Concentrated Areas of Affluence: A Preliminary Investigation. University of Minnesota. Edwards Goets, Damiano, Williams. 2019.



Figure 3-3: RCAA – White Majority Population, Costa Mesa

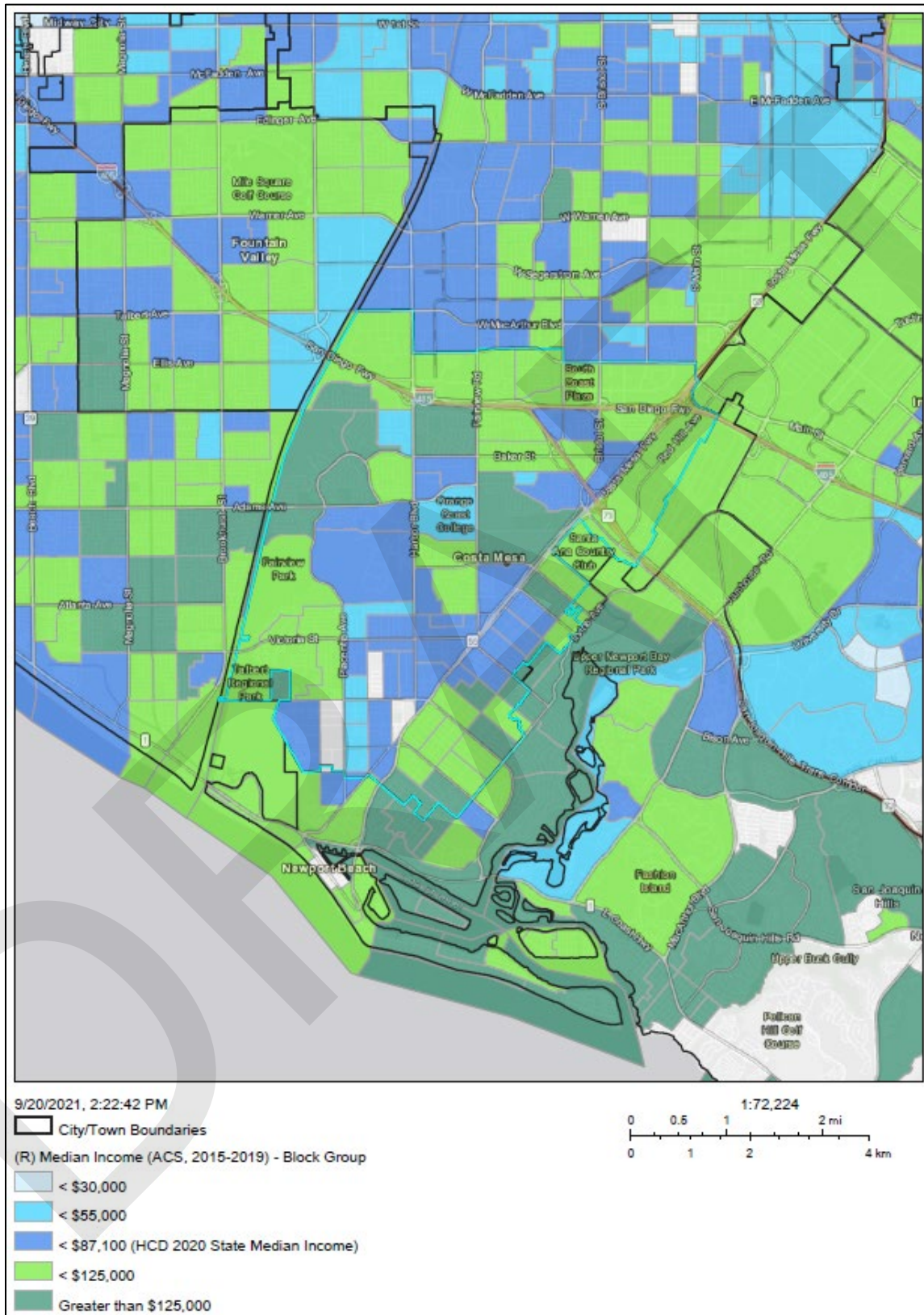


Source: California Department of Housing and Community Development – AFFH Data Viewer





Figure 3-4: RCAA – Median Income



Source: California Department of Housing and Community Development – AFFH Data Viewer



Table 3-18: RCCAs - Median Household Income by Race by Block Group, Costa Mesa

Block Group	Percent Population White	Median Income
Block Group 2, Census Tract 638.05	72.8%	\$137,000
Block Group 2, Census Tract 638.06	71.37%	\$153,056
Block Group 3, Census Tract 638.06	71.37%	\$131,500
Block Group 2, Census Tract 638.02	73.1%	\$129,265
Block Group 2, Census Tract 631.02	77.53%	\$125,159
Block Group 1, Census Tract 631.03	84.68%	\$133,875
Block Group 4, Census Tract 632.02	74.63%	\$126,813
Block Group 3, Census Tract 632.02	74.63%	\$161,442
Block Group 4, Census Tract 633.02	83.19%	\$134,605
Block Group 3, Census Tract 633.02	83.19%	\$136,985

Source: (U.S. Census Bureau) from HCD AFFH Data Viewer, Accessed September 27, 2021.

Table 3-19: RCCAs - Median Household Income by Race, Costa Mesa and Orange County

Race	Costa Mesa		Orange County	
	Median Income	Population	Median Income	Population
White	\$85,977 <sup>1</sup>	71%	\$94,082 <sup>1</sup>	61%
All Households	\$84,138	--	\$90,234	--

Notes: 1. Median income in the past 12 months (in 2019 inflation-adjusted dollars)

Source: American Community Survey, 5-Year Estimates, 2019.

### Disparities in Access to Opportunity

The UC Davis Center for Regional Change and Rabobank partnered to develop the Regional Opportunity Index (ROI) intended to help communities understand local social and economic opportunities. The goal of the ROI is to help target resources and policies toward people and places with the greatest need to foster thriving communities. The ROI incorporates both “people” and “place components, integrating economic, infrastructure, environmental, and social indicators into a comprehensive assessment of the factors driving opportunity.”

The ROI: People is a relative measure of people's assets in education, the economy, housing, mobility/transportation, health/environment, and civic life as follows:

- **Education Opportunity:** Assesses people's relative success in gaining educational assets, in the form of a higher education, elementary school achievement, and regular elementary school attendance.
- **Economic Opportunity:** Measures the relative economic well-being of the people in a community, in the form of employment and income level.
- **Housing Opportunity:** Measures the relative residential stability of a community, in the form of homeownership and housing costs.
- **Mobility/Transportation Opportunity:** Contains indicators that assess a community's relative opportunities for overcoming rural isolation.
- **Health/Environment Opportunity:** Measures the relative health outcomes of the people within a community, in the form of infant and teen health and general health.
- **Civic Life Opportunity:** A relative social and political engagement of an area, in the form of households that speak English and voter turnout.



The ROI: Place is a relative measure of an area's assets in education, the economy, housing, mobility/transportation, health/environment, and civic life.

- **Education Opportunity:** Assesses a census tract's relative ability to provide educational opportunity, in the form of high-quality schools that meet the basic educational and social needs of the population.
- **Economic Opportunity:** Measures the relative economic climate of a community, in the form of access to employment and business climate.
- **Housing Opportunity:** Measures relative availability of housing in a community, in the form of housing sufficiency and housing affordability.
- **Health/Environment Opportunity:** A relative measure of how well communities meet the health needs of their constituents, in the form of access to health care and other health-related environments.
- **Civic Life Opportunity:** Measures the relative social and political stability of an area, in the form of neighborhood stability (living in same residence for one year) and US citizenship.

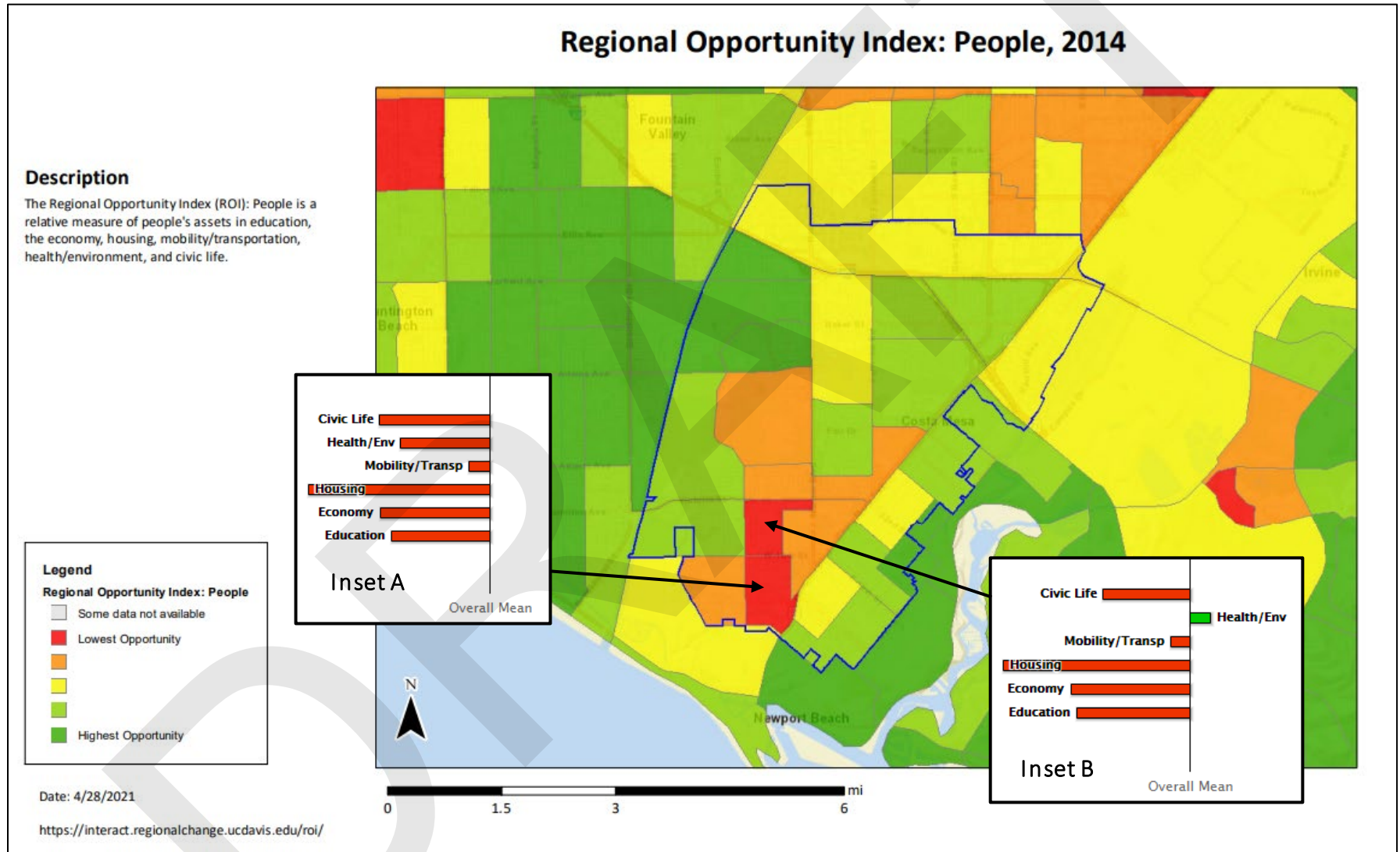
Figure 3-5 shows the ROI: People classifications throughout the City, the “ROI: People” data identifies the achievement levels that persons living within these census tracts have attained. As the figure shows, classifications vary greatly throughout Costa Mesa. The City has areas of high opportunity to the west and east of the City, but also has areas classified as the low opportunity in the southern and central regions of the City. Persons living in the areas identified as low opportunity “people” are considered to have low achievement opportunities for economic, health, and housing. The figure shows one census tract, identified as **Inset B**, where the general attainment for education, transportation, housing, economic opportunity, or jobs was low for the residents living in this tract. Further analysis shows the census tract, identified as **Inset A**, has overall very low levels of education, economic, housing, transportation, and civic life attainment among residents. Low attainment levels may project generational poverty, lower levels of upward mobility, and increased challenges accessing essential resources and opportunities. Increase housing opportunities and access, specifically affordable housing, in this area can provide stability, safety, and important resources to a community. The City of Costa Mesa has identified portions of this area to accommodate future growth for low and very low-income housing.

Figure 3-6 displays opportunities provided within each census tracts. The map shows that most of the City is classified as high opportunity. High opportunity areas mean that individual census tracts provide the necessary and essential resources for housing, economic or job opportunity, quality education and educational services, safe and affordable transportation, and quality civic and environmental life. Utilizing areas which provide important and essential resources, to increase housing opportunities can help to break cycles of poverty and increase overall community health. The City of Costa Mesa has identified housing opportunity sites to accommodate the RHNA in a variety of high opportunity areas.





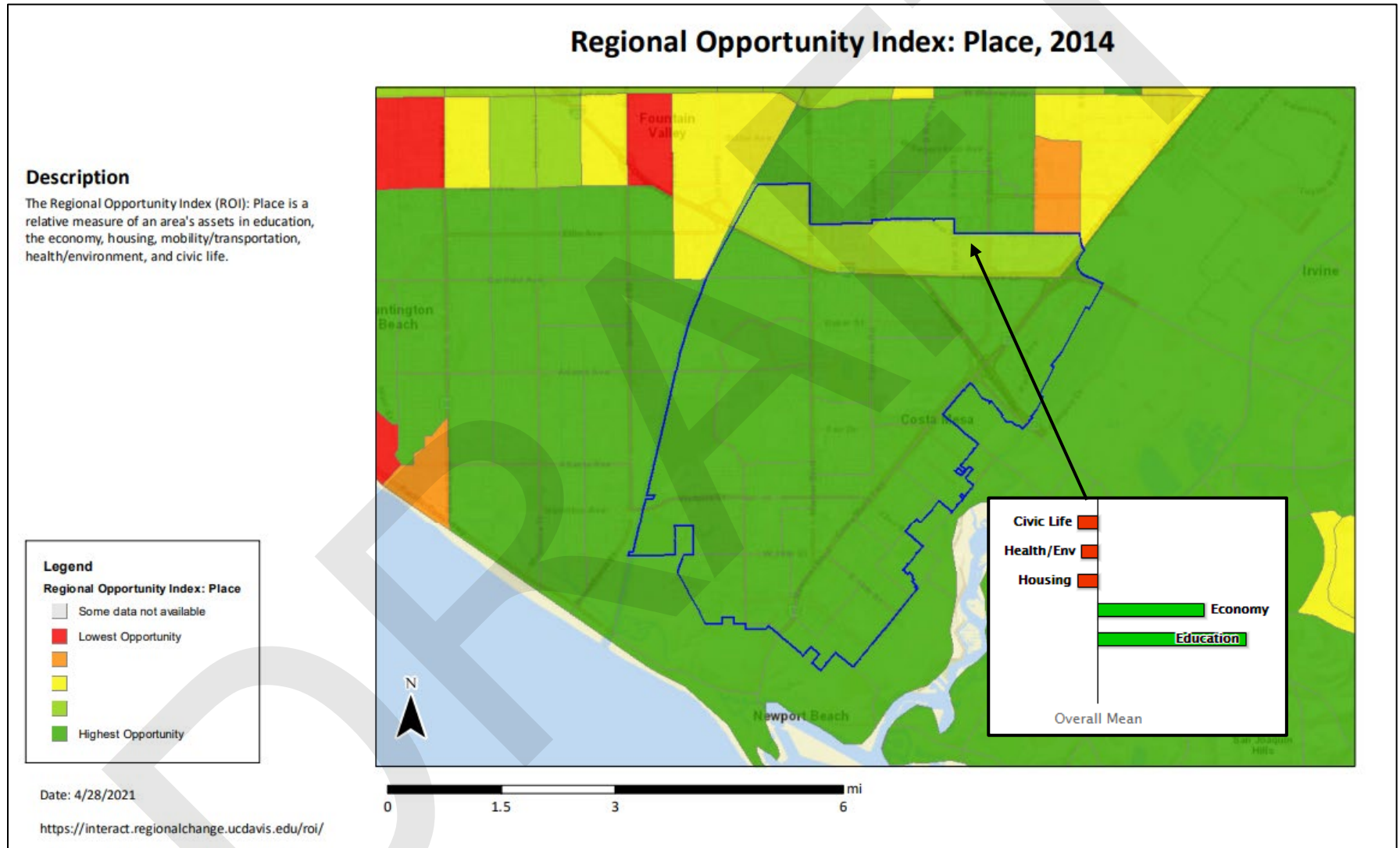
Figure 3-5: Regional Opportunity Index, People – City of Costa Mesa



Source: UC Davis Center for Regional Change and Rabobank, 2014.



Figure 3-6: Regional Opportunity Index, Place – City of Costa Mesa



Source: UC Davis Center for Regional Change and Rabobank, 2014.



Additionally, **Table 3-20** and **Figure 3-7** below display the data for Regional Opportunity Index in Costa Mesa overall compared to the State of California. The data shows the following key findings:

- Costa Mesa residents reportedly have lower math and English proficiency levels; however, they have higher rates of college education, high school graduation, UC/CSU eligibility.
- The economic conditions in Costa Mesa are high. There is a higher rate of high-quality employment amongst residents and higher minimum basic income than the State. There are many jobs available, and that trend continues to increase.
- Costa Mesa households are predominantly renter households. Housing adequacy is the same for the City and the State, but homes in Costa Mesa are reportedly less affordable.
- The City reports high rates of available vehicles per household, as well as commute time. Costa Mesa residents spend more time traveling to and from work than residents across the State.
- Despite lower air quality reports, Costa Mesa residents have high access to medical and health care, as well as access to supermarkets.
- Costa Mesa residents have high rates of English fluency, despite slightly lower rates of citizenship.

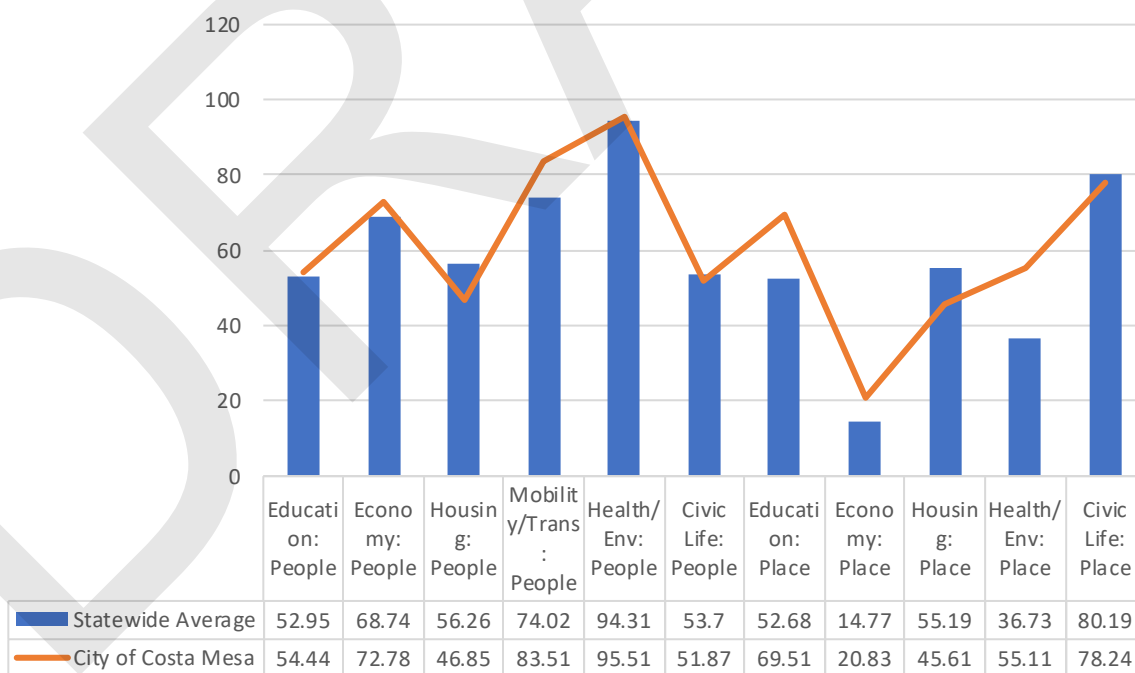
Table 3-20: Opportunity Indicators, Costa Mesa and California			
ROI Indicator		Costa Mesa	California
Education	<b>People</b>		
	College Educated Adults	45%	38%
	Math Proficiency	67%	70%
	English Proficiency	63%	65%
	Elementary Truancy	24%	24%
	<b>Place</b>		
	High School Graduation Rate	93%	83%
	UC/CSU Eligibility	53%	41%
	Teacher Experience	66%	36%
	High School Discipline Rate	8%	6%
Economic	<b>People</b>		
	Employment Rate	92%	89%
	Minimum Basic Income	66%	64%
	<b>Place</b>		
	Job Availability	1291.12	701.75
	Job Quality	50%	40%
	Job Growth	4%	3%
Housing	<b>People</b>		
	Home Ownership	39%	55%
	Housing Cost Burden	50%	52%
	<b>Place</b>		
	Housing Adequacy	91%	91%
M	<b>People</b>		
	Housing Affordability	0.14	0.19



Table 3-20: Opportunity Indicators, Costa Mesa and California			
ROI Indicator		Costa Mesa	California
	Vehicle Availability	88%	86%
	Commute Time	73%	60%
	Internet Access	4.81	4
Health/Environmental	Place		
	Infant Health	96%	95%
	Birth to Teens	5%	7%
	Years of Life Lost	25.68	29.84
	Place		
	Air Quality	9.35	10.01
	Prenatal Care	91%	83%
	Access to Supermarket	65%	53%
	Health Care Availability	3.63	1.76
Civic Life	People		
	Voting Rates	27%	31%
	English Speakers	91%	88%
	Place		
	US Citizenship	81%	83%
	Neighborhood Stability	83%	85%

Source: UC Davis Center for Regional Change and Rabobank, 2014.

Figure 3-7: Regional Opportunity Index, Costa Mesa and California



Source: UC Davis Center for Regional Change and Rabobank, 2014.

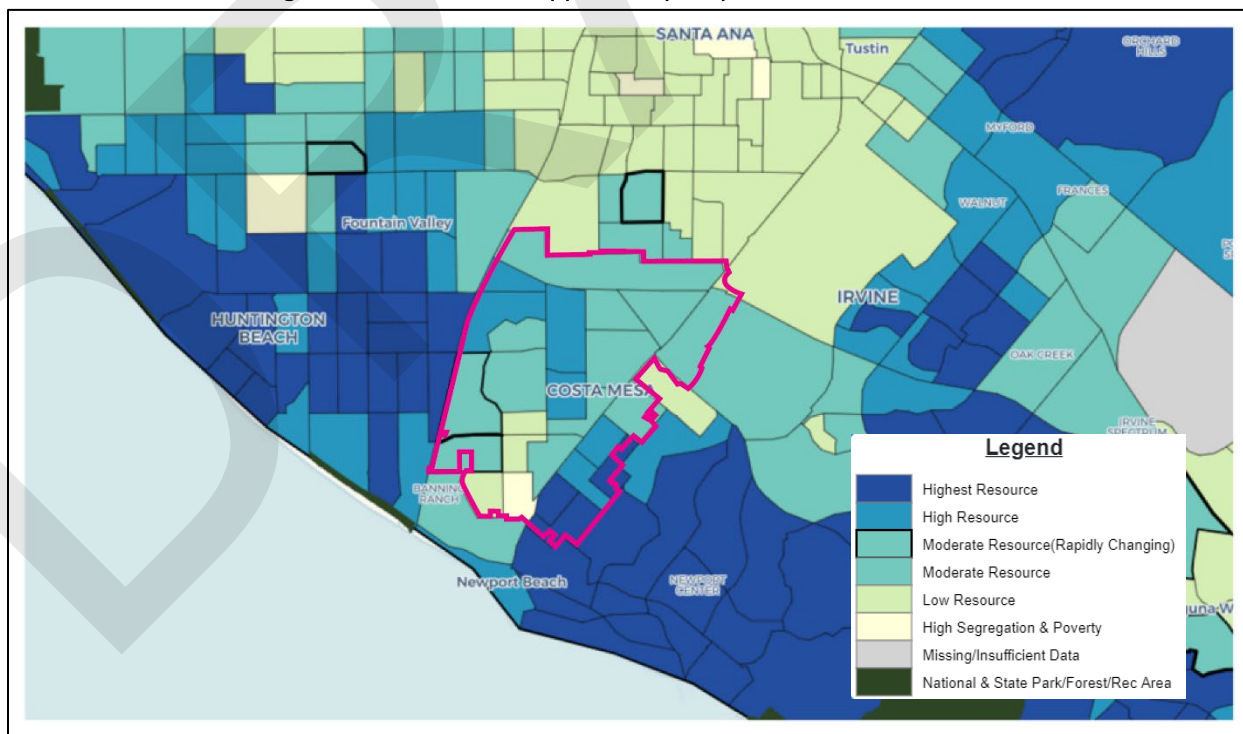


### California Tax Credit Allocation Committee (TCAC) Opportunity Area Maps

The Department of Housing and Community Development together with the California Tax Credit Allocation Committee established the California Fair Housing Task Force to provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/departments to further the fair housing goals (as defined by HCD). The Task force developed the TCAC/HCD opportunity Area Maps to understand how public and private resources are spatially distributed. The Task force defines opportunities as pathways to better lives, including health, education, and employment. Overall, opportunity maps are intended to display which areas, according to research, offer low-income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.

According to the Task Force’s methodology, the tool allocates the 20 percent of the tracts in each region with the highest relative index scores to the “Highest Resource” designation and the next 20 percent to the “High Resource” designation. Each region then ends up with 40 percent of its total tracts as “Highest” or “High” resource. These two categories are intended to help State decision-makers identify tracts within each region that the research suggests low-income families are most likely to thrive, and where they typically do not have the option to live—but might, if given the choice. As shown in **Figure 3-8** below, much of Costa Mesa is classified moderate to high resource areas with pockets of low resource areas in the south west region of the City. Costa Mesa has one area classified as high segregation and poverty in the southern area of the City. The City of Costa Mesa is committed to exploring programs and avenues to increase housing access and opportunity to both existing residents, future residents, and households in nearby areas.

**Figure 3-8: TCAC/HCD Opportunity Map – Costa Mesa Area**



Source: California Tax Credit Allocation Committee and Department of Housing and Community Development, 2021.





### Opportunity Indicators

Opportunity indicators also help inform communities about disparities in access to opportunity. The Department of Housing and Urban Development (HUD) developed the opportunity indicators to help inform communities about disparities in access to opportunity, the scores are based on nationally available data sources and assess resident's access to key opportunity assets in the City. **Table 3-21** provides the index scores (ranging from zero to 100) for the following opportunity indicator indices:

- **Low Poverty Index:** The low poverty index captures poverty in a given neighborhood. The poverty rate is determined at the census tract level. The higher the score, the less exposure to poverty in a neighborhood.
- **School Proficiency Index:** The school proficiency index uses school-level data on the performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing elementary schools. The higher the score, the higher the school system quality is in a neighborhood.
- **Labor Market Engagement Index:** The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood. This is based upon the level of employment, labor force participation, and educational attainment in a census tract. The higher the score, the higher the labor force participation and human capital in a neighborhood.
- **Transit Trips Index:** This index is based on estimates of transit trips taken by a family that meets the following description: a three-person single-parent family with income at 50% of the median income for renters for the region (i.e. the Core-Based Statistical Area (CBSA)). The higher the transit trips index, the more likely residents in that neighborhood utilize public transit.
- **Low Transportation Cost Index:** This index is based on estimates of transportation costs for a family that meets the following description: a three-person single-parent family with income at 50 percent of the median income for renters for the region/CBSA. The higher the index, the lower the cost of transportation in that neighborhood.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region/CBSA, with larger employment centers weighted more heavily. The higher the index value, the better the access to employment opportunities for residents in a neighborhood.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to harmful toxins at a neighborhood level. The higher the index value, the less exposure to toxins harmful to human health. Therefore, the higher the value, the better the environmental quality of a neighborhood, where a neighborhood is a census block-group.

**Table 3-21** below displays the opportunity indices by race and ethnicity for persons in Costa Mesa. According to the data, there is some poverty among the population of Costa Mesa, across all racial/ethnic groups. There are higher levels of poverty among the Hispanic and Native American populations. All racial/ethnic groups in Costa Mesa experience levels of environmental health below 50, meaning all residents are exposed to a higher degree of environmental pollutants. Otherwise, the data shows the City has high marks for school proficiency, labor market, transit, transportation cost, and job proximity.



Table 3-21: Opportunity Indicators, City of Costa Mesa

(Costa Mesa, CA CDBG) Jurisdiction	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
<b>Total Population</b>							
White, Non-Hispanic	60.10	72.71	73.56	89.69	81.33	83.04	28.03
Black, Non-Hispanic	55.04	70.24	69.80	90.47	83.27	83.47	25.72
Hispanic	40.06	60.53	56.72	90.42	83.05	78.57	30.24
Asian or Pacific Islander, Non-Hispanic	61.51	71.28	73.20	90.57	82.88	87.44	22.65
Native American, Non-Hispanic	53.54	70.81	68.03	90.49	82.74	81.69	28.26
<b>Population Below Federal Poverty Line</b>							
White, Non-Hispanic	53.85	69.80	68.91	90.07	82.43	80.51	28.58
Black, Non-Hispanic	61.70	78.78	82.00	91.46	84.89	87.37	19.50
Hispanic	33.36	56.69	51.57	90.56	83.60	78.70	31.40
Asian or Pacific Islander, Non-Hispanic	55.36	71.81	73.29	90.38	83.08	84.52	24.46
Native American, Non-Hispanic	50.53	67.96	56.06	91.85	77.66	85.70	19.03
<i>Source: Department of Housing and Urban Development, Affirmatively Furthering Fair Housing Online Mapping tool, Decennial Census; ACS; Great Schools; Common Core of Data; SABINS; LAI; LEHD; NATA</i>							

### Access to Transit

Transit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the data provided, Costa Mesa scored a 5.4 AllTransit performance score, illustrating a moderate combination of trips per week and number of jobs accessible that enable a moderate number of people to take transit to work. In comparison to neighboring cities—Huntington Beach scores a 4.4, Irvine scored a 3.6, Santa Ana scored a 6.6, and Newport Beach scored a 3.9. Access to transportation increases both the economic and environmental/health opportunities.

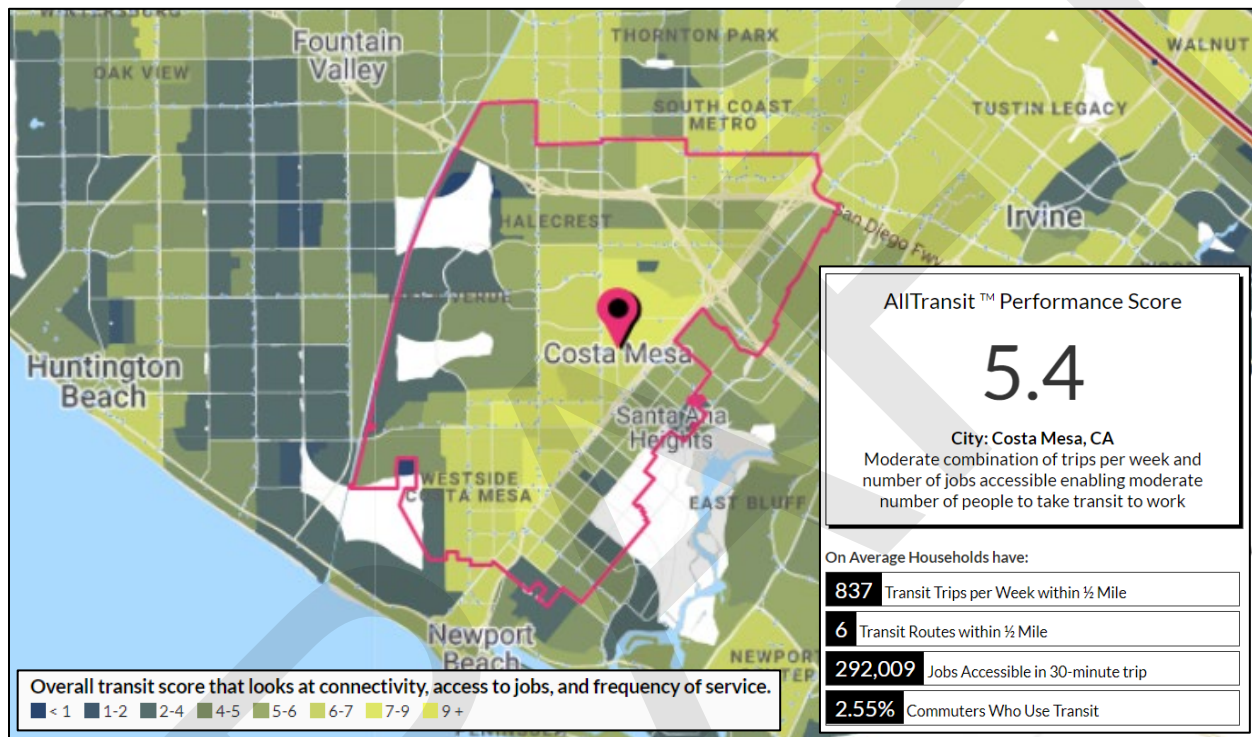


Table 3-22: Opportunity Indicator – Transit

Jurisdiction	AllTransit Performance Score	Transit Trips Per Week within 1/2 Mile	Jobs Accessible in 30-min trip	Commuters Who Use Transit	Transit Routes within 1/2 Mile
Costa Mesa	5.4	837	292,009	2.55%	6

Source: AllTransit Fact Sheet, Costa Mesa, 2021.

Figure 3-9: All Transit Performance Score – Costa Mesa



Source: AllTransit Fact Sheet, 2021.

### Environmental Justice

The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution called the California Communities Environmental Health Screening Tool (CalEnviro Screen). In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviro Screen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. Research has shown a heightened vulnerability of people of color and lower socioeconomic status to environmental pollutants. **Figure 3-10** below displays mapped results for the CalEnviro Screen in Costa Mesa and the Orange County region. The map shows that Costa Mesa is primarily moderate-scoring, with a few low-scoring census tracts and a couple high-scoring census tracts. High scores signify high levels of pollution burdens and low scores signify low levels of pollution. **Table 3-23** and **3-24** below identifies the CalEnviro Screen scores for the highest and lowest scoring census tracts in Costa Mesa, respectively.



Table 3-23: CalEnviro Screen 3.0 – Highest Scoring Census Tract (6059063605)

Pollutant	Percentile*	Health Risk/Burden	Percentile*
Ozone	40	Asthma	47
PM 2.5	53	Low Birth Weight	78
Diesel	51	Cardiovascular Rate	33
Pesticides	0	Education	92
Toxic Releases	85	Linguistic Isolation	76
Traffic	58	Poverty	88
Drinking Water	10	Unemployment	76
Cleanups	98	Housing Burden	74
Groundwater Threats	92		
Hazardous Waste	93		
Impaired Water	0		
Solid Waste	53		

\*Percentile derived using a weighted scoring system to determine average pollution burden/socioeconomic scores relative to other census tracts.

Source: CalEnviro Screen 3.0 Map Tool, June 2018 Update. Accessed April 28, 2021.

Table 3-24: CalEnviro Screen 3.0 – Lowest Scoring Census Tract (6059063905)

Pollutant	Percentile*	Health Risk/Burden	Percentile*
Ozone	40	Asthma	33
PM 2.5	53	Low Birth Weight	11
Diesel	46	Cardiovascular Rate	24
Pesticides	0	Education	27
Toxic Releases	89	Linguistic Isolation	22
Traffic	47	Poverty	34
Drinking Water	10	Unemployment	13
Cleanups	44	Housing Burden	59
Groundwater Threats	25		
Hazardous Waste	63		
Impaired Water	0		
Solid Waste	0		

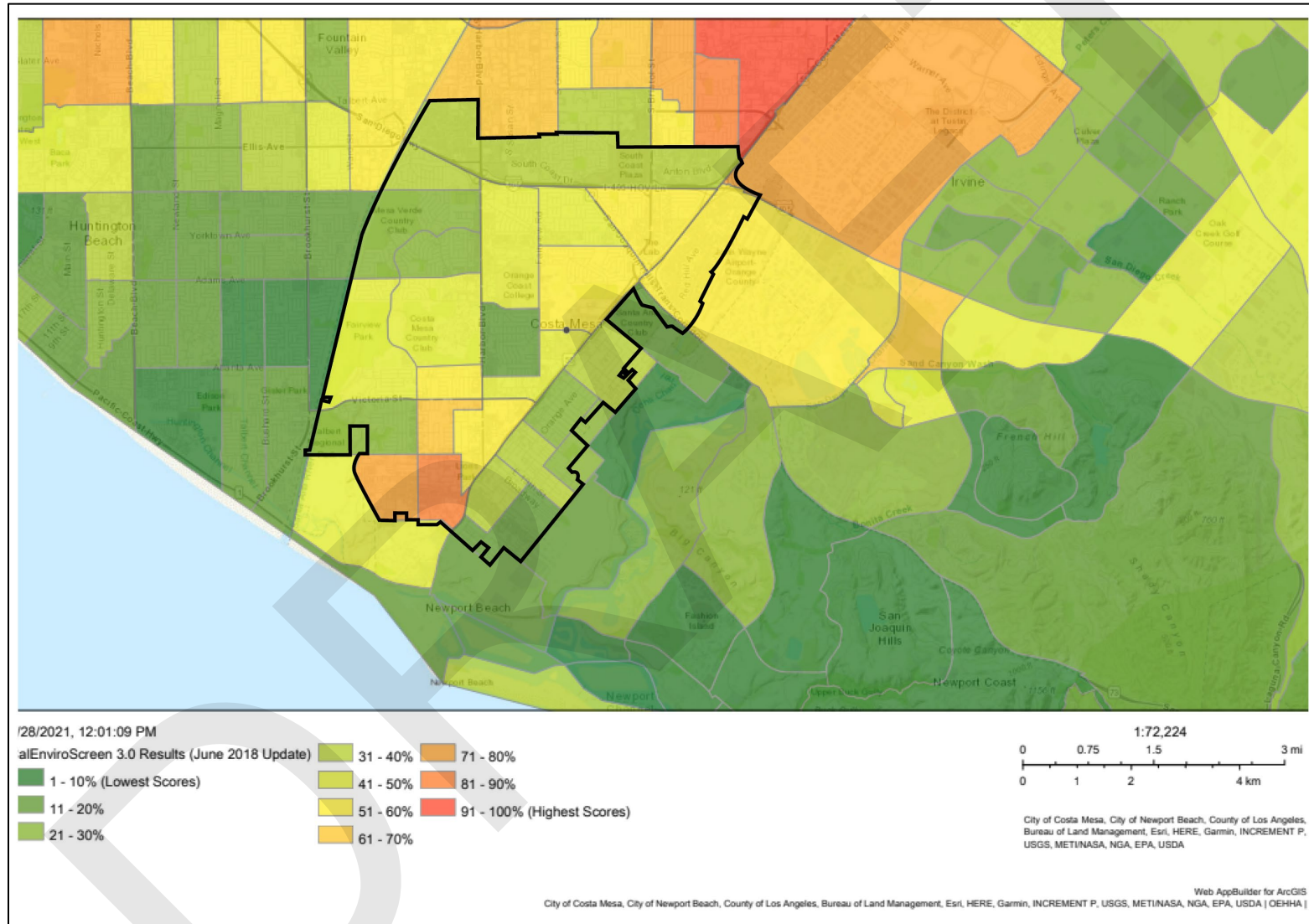
\*Percentile derived using a weighted scoring system to determine average pollution burden/socioeconomic scores relative to other census tracts.

Source: CalEnviro Screen 3.0 Map Tool, June 2018 Update. Accessed May 24, 2021.





Figure 3-10: CalEnviro Screen, Costa Mesa (2018)



Source: CalEnviro Screen 3.0 Map Tool, June 2018 Update. Accessed April 28, 2021.





### 3. Discussion of Disproportionate Housing Needs

The analysis of disproportionate housing needs within Costa Mesa evaluates existing housing need, need of the future housing population, and units within the community at-risk of converting to market-rate.

#### Existing Needs

As described in **Section 3.G.1** of this Housing Element, the Orange County Housing Authority (OCHA) administers Section 8 Housing Choice vouchers within the City of Costa Mesa. For the 2020 year, there were a total of 561 Section 8 voucher holders within the community: 110 for persons with disabilities, 394 for seniors, and 54 families with at least one dependent.

#### Housing Needs in Costa Mesa

A variety of factors affect housing needs for different households. Most commonly, disability, household income, and household characteristics shape the type and size of housing needed, as well as accessibility based on existing units in a City. **Table 3-25** through **3-32** display data for demographic characteristics of Costa Mesa, as compared to Orange County and the State of California. Additional detailed analysis of the Costa Mesa community is provided in **Chapter 2: Community Profile**.

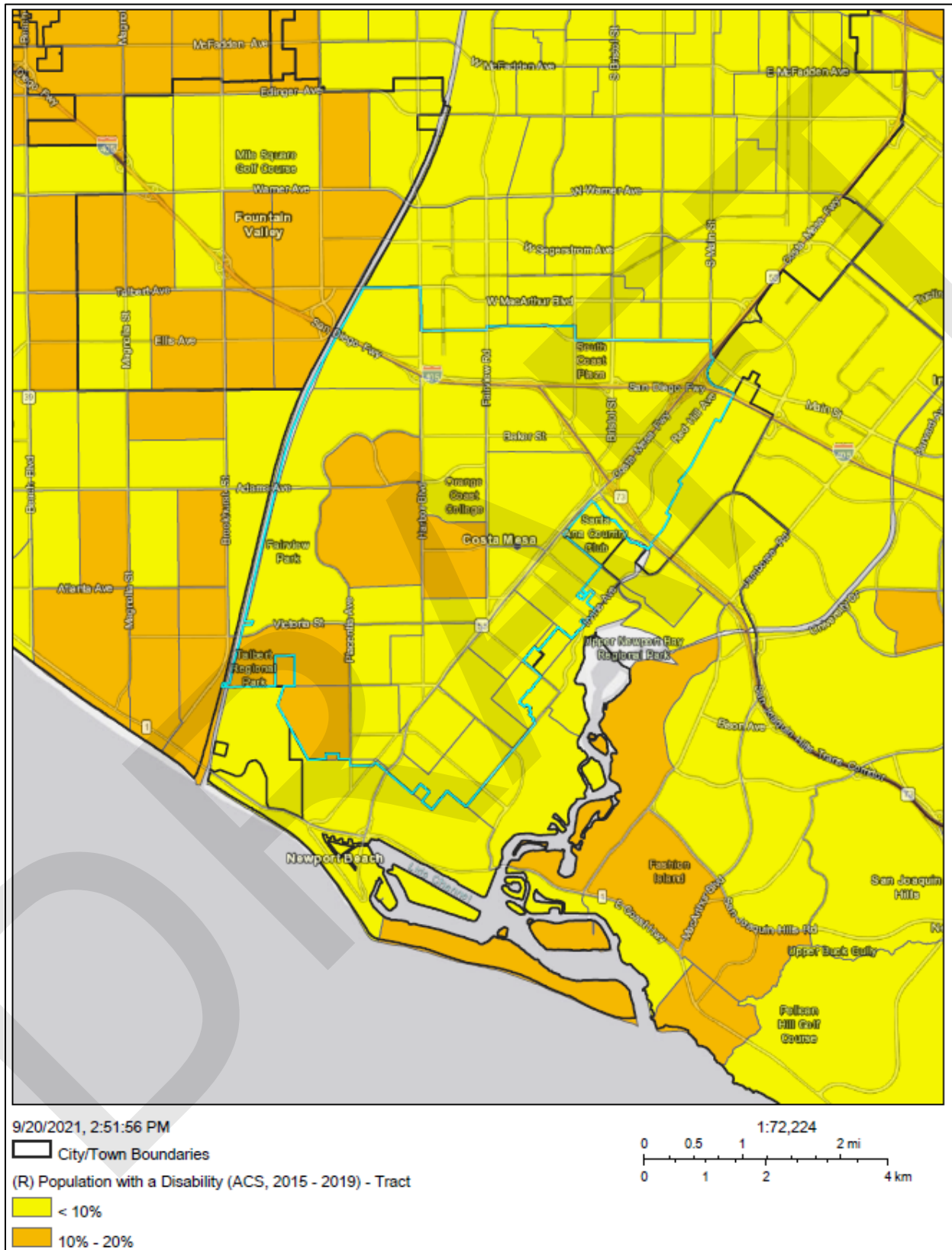
**Table 3-25** displays the data for persons with disabilities in the City, County, and State. Overall, about 10.6 percent of the California population has at least one disability. Orange County and the City of Costa Mesa both have lower percentages by about 2 percent less persons with disabilities. Ambulatory, Independent Living, and Cognitive Difficulties are the top three most common disabilities for all three jurisdictions, in order starting from most common. These figures may be reflective of disabilities commonly found amongst the senior population. Each of reasonable accommodation procedures and opportunity for accessible housing can provide increased housing security for the population with disabilities.

Table 3-25: Population by Disability Type by Geography, 2019			
Disability Type	Costa Mesa	Orange County	California
Hearing Difficulty	2.4%	2.5%	2.9%
Vision Difficulty	1.6%	1.5%	2%
Cognitive Difficulty	3.4%	3.4%	4.3%
Ambulatory Difficulty	4.3%	4.5%	5.8%
Self-Care Difficulty	1.7%	2.2%	2.6%
Independent Living Difficulty	3.8%	4.3%	5.5%
<b>Total with a Disability*</b>	<b>8.3%</b>	<b>8.5%</b>	<b>10.6%</b>
* Total of noninstitutionalized population with at least one disability. Source: American Community Survey, 5-Year Estimates, 2019.			

**Figure 3-11** shows the population with a disability throughout the City. As illustrated, the majority of the City has census tracts that report less than 10 percent of a disabled population. There are a few census tracts with a population of 10 to 20 percent reporting at least one disability.



Figure 3-11: Population with a Disability, Costa Mesa



Source: California Department of Housing and Community Development – AFFH Data Viewer



**Table 3-26** and **3-27** displays household type and income data for the State, County, and City. Overall, Orange County has the largest percentage of family households (71.7 percent) and Costa Mesa has the smallest with about 10 percent less. Costa Mesa has the lowest percentage of female households without a spouse. Non-family households represent the largest household type in Costa Mesa at 40.5 percent, which is about 9 percent more than California and 12 percent more than Orange County. About 40 percent households in both the State and the County have at least one person above the age of 60, while there are about 30 percent of households in Costa Mesa with at least one person over the age of 60. Different household types have varying housing needs – senior households may benefit from reasonable accommodation procedures and being located near medical facilities, single-parent households may benefit from affordable housing options due to limited income, and family households may benefit from larger housing units located near community areas and schools.

Table 3-26: Population by Familial Status by Geography, 2019			
Familial Status	Costa Mesa	Orange County	California
Family Households	59.5%	71.7%	68.7%
Married-Couple Family Households	43.2%	54.9%	49.8%
With Related Children Under 18	29.3%	34.1%	34%
Female Households, No Spouse	10.1%	11.5%	13%
Non-Family Households	40.5%	28.3%	31.3%
Households with One or More People 60 Years+	29.5%	39.9%	39.1%
<b>Total Households</b>	<b>40,986</b>	<b>1,037,492</b>	<b>13,044,266</b>
Source: American Community Survey, 5-Year Estimates, 2019.			

**Table 3-27** provides a breakdown on incomes for the State, County, and City. The majority of households in each region earn between \$100,000 and \$200,000 annually. Orange County has the highest median income at \$90,234, about \$6,000 more than for Costa Mesa and \$15,000 more than for California as a whole.

Table 3-27: Households by Income by Geography, 2019			
Household Income	Costa Mesa	Orange County	California
Less than \$10,000	4.5%	4.2%	4.8%
\$10,000-\$14,999	2.3%	2.7%	4.1%
\$15,000-\$24,999	5.6%	5.6%	7.5%
\$25,000-\$34,999	6%	6%	7.5%
\$35,000-\$49,999	9.5%	8.8%	10.5%
\$50,000-\$74,999	15.8%	14.6%	15.5%
\$75,000-\$99,999	13.9%	12.8%	12.4%
\$100,000-\$149,999	19.9%	18.6%	16.6%
\$150,000-\$199,999	10%	11.1%	8.9%
\$200,000 or More	12.4%	15.5%	12.2%
<b>Median Income</b>	<b>\$84,138</b>	<b>\$90,234</b>	<b>\$75,235</b>
Source: American Community Survey, 5-Year Estimates, 2019.			



**Figure 3-12** below shows the City has varying rates of married-couple households throughout its different census tracts. In general, the map shows the eastern and western edges of the City, which are predominantly single-family neighborhoods, have the highest rates of married-couple households (40-60 percent). Towards the center of the City, census tracts report approximately 20 to 40 percent married-couple households.

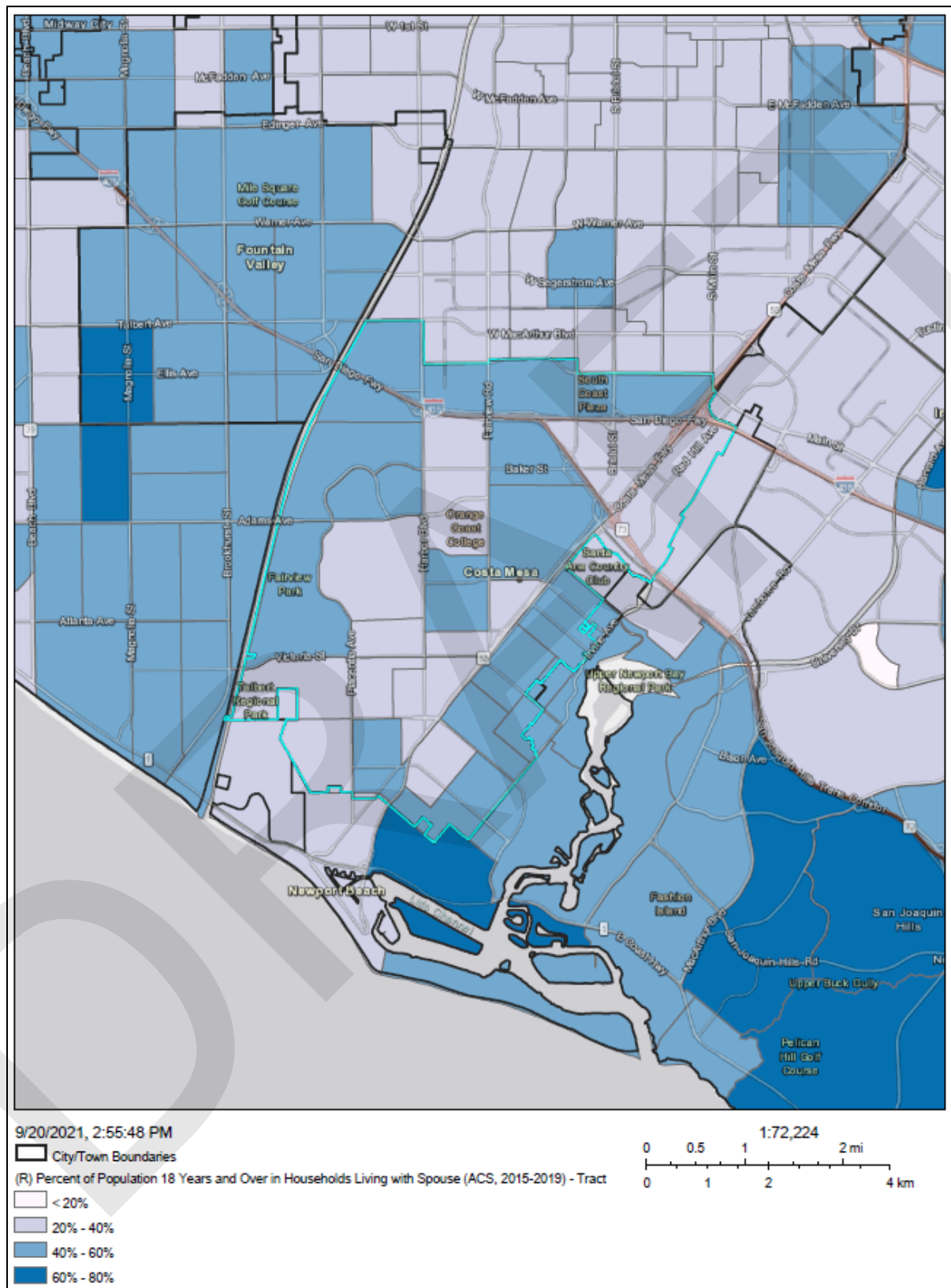
When compared to **Figure 3-13**, the census tracts with the highest rates of married-couple households overlap with the highest rates of children living in married-couple family households. Costa Mesa has a generally high propensity of children living in married-couple family households throughout most census tracts. In comparison to neighboring communities, however, Costa Mesa has less census tracts with children in married-couple family households.

**Figure 3-14** shows the City, as with its neighboring communities, has very low rates of children living in female-headed households with no spouse present. Most of the City reports approximately 20 percent or less, except for a census tract towards the southern edge of the City which reports 40 to 60 percent of children living in female-headed households. This same census tract is also one of two which reports 20 to 40 percent of its population over the age of 18 living alone, as illustrated in **Figure 3-15**. The rest of the City has fairly low rates of individuals living alone, with the remaining census tracts reporting less than 20 percent.





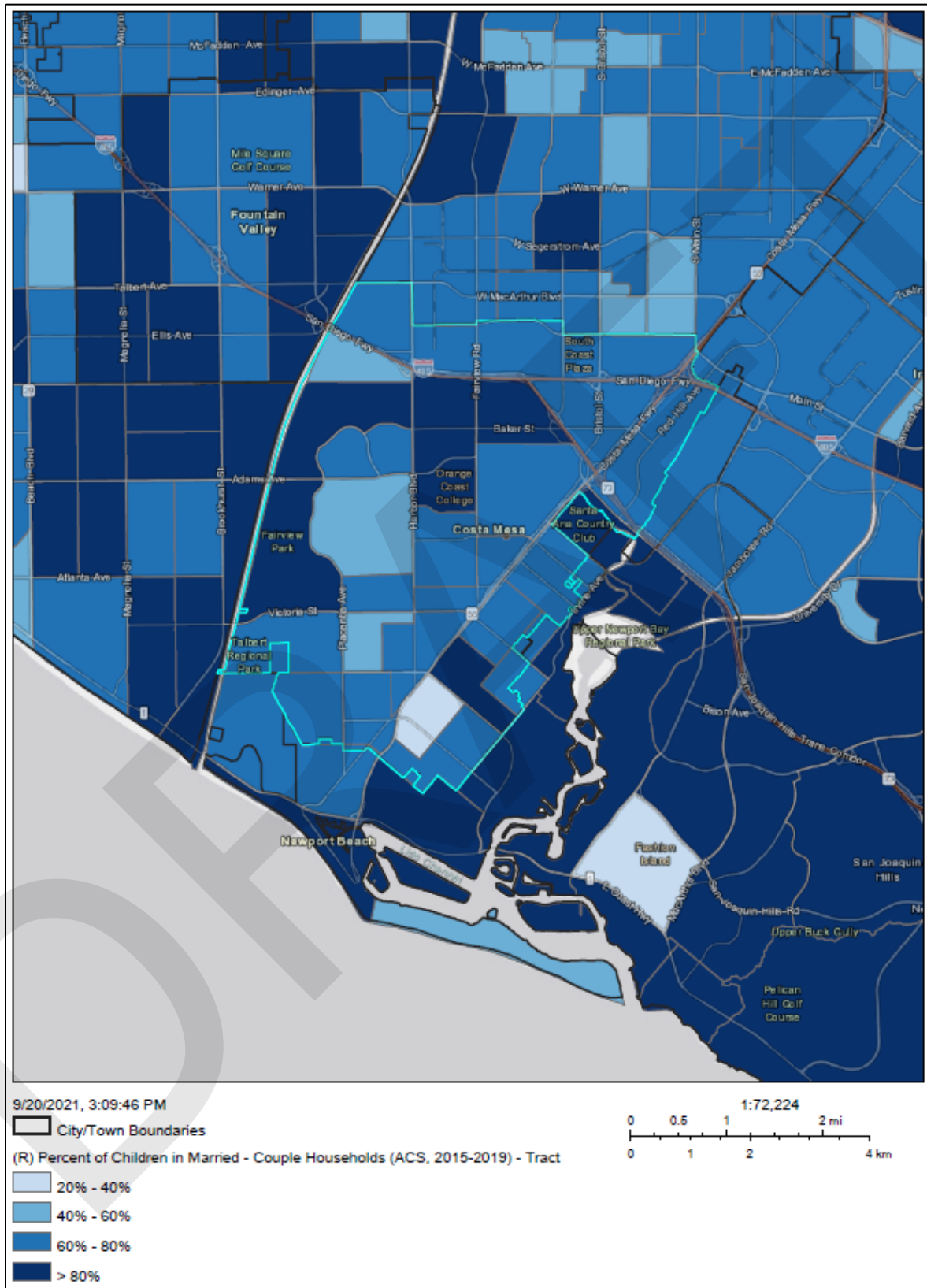
Figure 3-12: Married-Couple Households, Costa Mesa



Source: California Department of Housing and Community Development – AFFH Data Viewer



Figure 3-13: Children in Married-Couple Households, Costa Mesa



Source: California Department of Housing and Community Development – AFFH Data Viewer



Figure 3-14: Children in Female-Headed Households, Costa Mesa

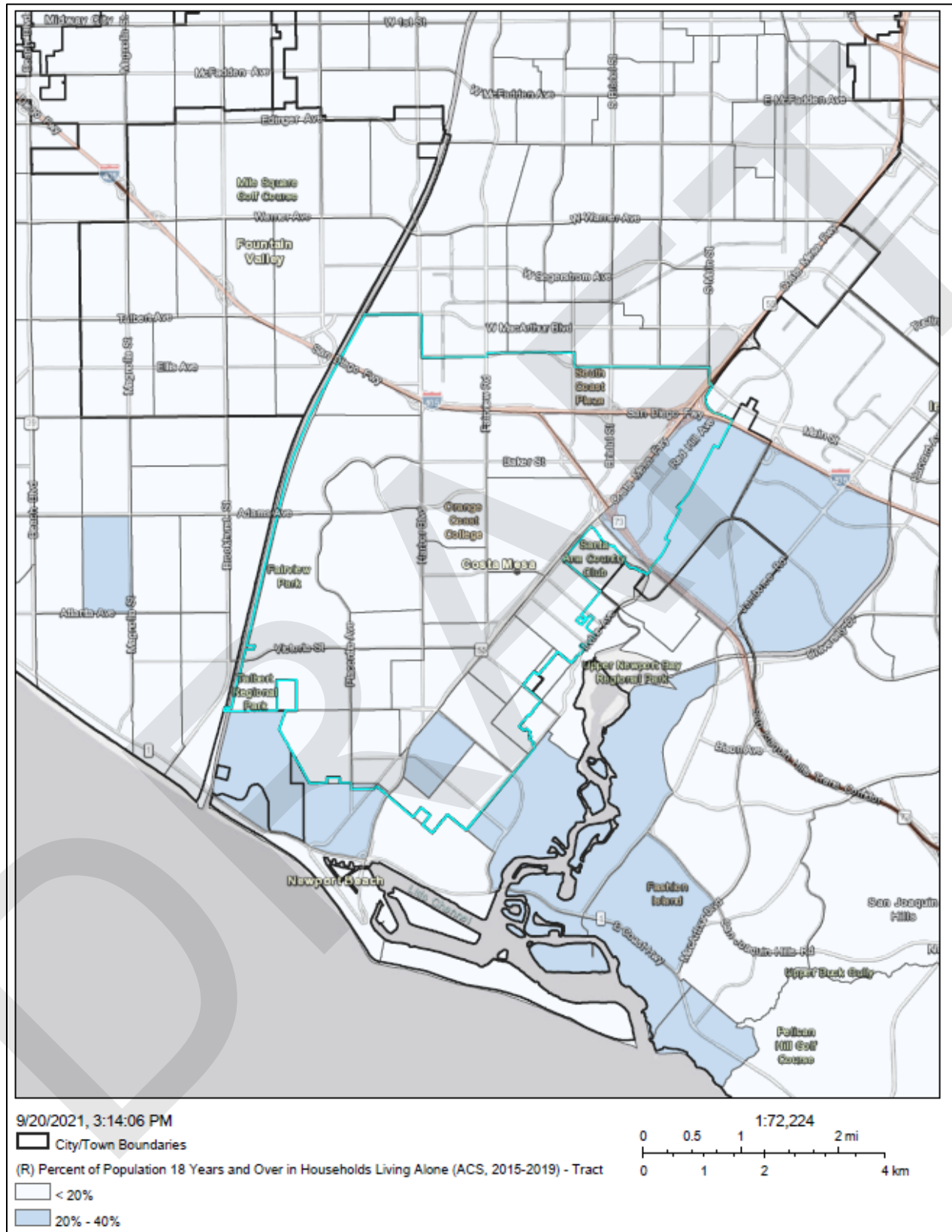


Source: California Department of Housing and Community Development – AFFH Data Viewer





Figure 3-15: Individuals Living Alone, Costa Mesa



Source: California Department of Housing and Community Development – AFFH Data Viewer





**Table 3-28** displays data for households experiencing overpayment or cost burden in the State, County, and City. Housing cost burden can cause mainly displacement, which may create limited access to essential goods and community, as well as employment by potentially increasing commute times. The percentages of households that experience a cost burden greater than 30 percent is overall similar amongst the State, County, and City. Costa Mesa experiences higher rates of cost burden than the County by about two percent. The City also has the largest percentage of households with a cost burden over 50 percent at about 21.6 percent, compared to about 19 percent in both the State and County. Increased opportunity for affordable housing and housing assistance funds help to prevent cost burden on households.

Table 3-28: Household Overpayment by Geography, 2019			
Overpayment	Costa Mesa	Orange County	California
Cost Burden > 30%	42.1%	40.5%	40.1%
Cost Burden > 50%	21.6%	19.3%	19.4%
Cost Burden Not Available	1.3%	1.4%	1.4%
Source: HUD Consolidated Planning/CHAS Data, 2013-2017.			

**Table 3-29** displays data for household tenure (homeowners and renters) for the State, County, and City. Homeownership is a crucial foundation for households with low incomes to build strength, stability, and independence. The opportunity for transition into the homebuyer's market is important in a healthy housing market. **Table 3-29** shows that the City of Costa Mesa has a much lower percentage of homeowners than the County and State, reporting about 38 percent, compared to 57 percent in the County and 55 percent in the State. Costa Mesa also has higher rates of renter at 62 percent, compares to 43 percent in the County and 45 percent in the State.

Table 3-29: Households by Tenure by Geography, 2019			
Household Tenure	Costa Mesa	Orange County	California
Owner Households	38.3%	57.4%	54.8%
Renter Households	61.7%	42.6%	45.2%
<b>Total Occupied Housing Units</b>	<b>40,986</b>	<b>1,037,492</b>	<b>13,044,266</b>
Source: American Community Survey, 5-Year Estimates, 2019.			

Additionally, **Table 3-30** displays data for overcrowding. Overcrowding is defined as between 1.01 and 1.5 persons per bedroom in a household, and severe overcrowding is defined as more than 1.51 persons per bedroom. Overcrowding often occurs when nonfamily members combine incomes to live in one household, such as college students and roommates. Overcrowding also occurs when there are not enough size-appropriate housing options for large or multigenerational households. The City has the lowest percentages of owner-occupied households with overcrowded and severely overcrowded households compared to the County and State. Renters in Costa Mesa are disproportionately affected by overcrowding when compared to homeowners. Overall, across all three regions, owners were less affected by overcrowding and severe overcrowding.



Table 3-30: Households by Overcrowding by Geography, 2019

Overcrowding and Tenure	Costa Mesa	Orange County	California
<b>Owner Households</b>			
Overcrowded	0.6%	1.5%	1.6%
Severely Overcrowded	0.2%	0.6%	0.6%
<b>Renter Households</b>			
Overcrowded	5.3%	4.2%	3.6%
Severely Overcrowded	2.7%	2.6%	2.4%

Source: American Community Survey, 5-Year Estimates, 2019.

### Housing Stock in Costa Mesa

**Table 3-31** and **3-32** display comparative housing stock data for the State, County, and City. Table 3-20 below shows data for occupied housing units by type. A variety of housing stock provides increased opportunity in communities for different size and household types. The majority of housing stock in Costa Mesa is multi-unit developments (50.6 percent for 2 or more units). Single-family housing units represent about 48 percent of the housing stock in Costa Mesa. Comparatively, single family units represent about 63 percent and 64 percent of the housing stock in the County and the State, respectively.

Table 3-31: Occupied Housing Units by Type by Geography, 2019

Housing Unit Type	Costa Mesa	Orange County	California
1-Unit, Detached	37.9%	50.6%	57.7%
1-Unit, Attached	9.2%	12.3%	7.0%
2 Units	2.9%	1.6%	2.4%
3 or 4 Units	9.6%	6.9%	5.5%
5 to 9 Units	9.4%	6.7%	6.0%
10 to 19 Units	9.1%	5.4%	5.2%
20 or More Units	19.6%	13.7%	12.3%
Mobile Home	2.2%	2.7%	3.7%
Boat, RV, Van, etc.	0.2%	0.1%	0.1%

Source: American Community Survey, 5-Year Estimates, 2019.

**Table 3-23** below displays housing stock by year built for the City, County, and State. Older housing units generally require more upkeep, regular maintenance, and can cause a cost burden on both renters and homeowners. The majority of Costa Mesa's housing stock (68.2 percent) was built during a housing boom between 1950 and 1979. The trend is similar for the County and State, with majority of units built between 1980 and 2013. Overall, increased numbers of older housing can lead to displacement, cost burden, and substandard living conditions. An analysis of the housing stock is provided in **Chapter 2: Costa Mesa Community Profile**.



Table 3-32: Housing Unit by Year Built by Geography, 2019

Year Built	Costa Mesa	Orange County	California
Built 2014 or later	2.6%	2.7%	1.7%
Built 2010 to 2013	1.0%	2.0%	1.7%
Built 2000 to 2009	5.2%	8.3%	11.2%
Built 1990 to 1999	6.3%	11.7%	10.9%
Built 1980 to 1989	12.3%	14.9%	15.0%
Built 1970 to 1979	23.6%	23.3%	17.6%
Built 1960 to 1969	26.7%	19.5%	13.4%
Built 1950 to 1959	17.9%	13.0%	13.4%
Built 1940 to 1949	3.1%	2.1%	5.9%
Built 1939 or earlier	1.3%	2.5%	9.1%

*Source: American Community Survey, 5-Year Estimates, 2019.*

### **Future Growth Need**

The City's future growth need is based on the RHNA production of 2,919 very low and 1,794 low-income units within the 2021-2029 planning period. **Appendix B** of this Housing Elements shows the City's ability to meet its 2021-2029 RHNA need at all income levels. This demonstrates the City's ability to accommodate the anticipated future affordable housing needs of the community.

### **Displacement Risk**

The potential for economic displacement risk can result from a variety of factors, including large-scale development activity, neighborhood reinvestment, infrastructure investments, and changes in local and regional employment opportunity. Economic displacement can be an inadvertent result of public and private investment, where individuals and families may not be able to keep pace with increased property values and market rental rates.

Affordable covenants help to ensure that certain housing units remain affordable for an extended period of time. Covenants provide lasting affordable options to low and very low-income households in a community. **Table 3-33** below provides a list of 1,144 housing units with affordability covenants, of which 75 housing units are at-risk of converting to market-rate between 2021 and 2031.

### **Inventory of Assisted Affordable Housing**

Jurisdictions are required by State Housing Element Law to analyze government-assisted housing that is eligible to convert from lower income to market rate housing over the next 10 years. State law identifies housing assistance as a rental subsidy, mortgage subsidy or mortgage insurance to an assisted housing development. Government assisted housing may convert to market rate housing for several reasons, including expiring subsidies, mortgage repayments, or expiration of affordability restrictions. Consistent with the requirements to analyze the impacts of the potential conversion of these units to market-rate units, this section provides an analysis of preservation of assisted housing units at-risk of conversion.



Table 3-33: Affordable Housing Units in Costa Mesa with Covenants

Name of Project	Address	Target Group	Potential Expiration	Funding	Target Income Level	Assisted Units
Casa Bella	1844 Park Ave.	Senior	2025	HUD Section 8	Very Low	75
Bethel Towers	678 W. 19th St.	Senior	2067	LIHTC	Low	53
St. John's Manor	2031 Orange Ave.	Senior	5/2062	HUD Section 8, HOME, Costa Mesa Redevelopment, Federal Rental Rehab	Very Low	36
Costa Mesa Family Village	2015 -2019 Pomona Ave. 755-771 W. 20th St. 1924-1932 Wallace Ave.	General	12/2038	Costa Mesa Redevelopment Ground Lease	Very Low/Low	72
Park Place Village (SRO)	1662 Newport Blvd.	General	Perpetuity	Land Use Restriction	Very Low	60
Costa Mesa Village (SRO)	2450 Newport Blvd.	General	Perpetuity	OC Housing Authority, Costa Mesa Redevelopment	Very Low	96
Newport Senior Village (SRO)	2080 Newport Blvd.	Senior	Perpetuity	Land Use Restriction	Very Low/Low	91
HOME Rehabilitation Project #1	734-744 James Street	General	4/2049	HOME	Very Low/Low	11
HOME Rehabilitation Project #3A	745 W. 18th Street	General	5/2056	HOME	Very Low/Low	3
HOME Rehabilitation Project #6	717-721 James Street	General	6/2058	HOME, Federal Rental Rehab	Very Low/Low	8
HOME Rehabilitation Project #3B	707-711 W. 18th Street	General	5/2056	Costa Mesa Redevelopment	Very Low/Low	8
Other Density Bonus Units	Scattered	General	Various	Land Use Restriction	Very Low/Low/Moderate	156
Harbor Village	2501 Harbor	Developmentally Disabled and General	Perpetuity	State-Owned	Very Low/Low/Moderate	550
<b>TOTAL</b>						<b>1,144</b>
<b>TOTAL UNITS AT-RISK</b>						<b>75</b>
<b>Sources:</b> 1. U.S. Department of Housing and Urban Development. 2. California Housing Partnership Corporation. 3. City of Costa Mesa, 2013						





### Cost of Preservation of Units

While there are many options to preserving units including providing financial incentives to project owners to extend lower income use restrictions, purchasing affordable housing units by a non-profit or public agency, or providing local subsidies to offset the difference between the affordable and market rate units, the strategy considered below is to provide local rental subsidy to residents. The rent subsidy would provide financial assistance to residents if their affordable units converted to market rate. To determine the subsidy needed, Fair Market Rents were compared to market rate rents.

Table 3-34: Estimated Monthly Subsidy to Preserve “At-Risk” Units						
Unit Size	Monthly Rents		Number of Units At-Risk	Difference	Monthly Subsidy	Annual Subsidy
	Fair Market Rents <sup>1</sup>	Market Rate <sup>2</sup>				
Efficiency	\$1,716	\$2,293	0	\$577	\$0	\$0
1-Bedroom	\$1,905	\$2,707	75	\$802	\$60,150	\$721,800
2-Bedroom	\$2,324	\$3,352	0	\$1,028	\$0	\$0
3-Bedroom	\$3,178	\$3,712	0	\$534	\$0	\$0
4-Bedroom	\$3,674	N/A	0	\$0	\$0	\$0
TOTAL						\$721,800
Source:						
1. HUD FY 2022 Fair Market Rent Documentation System – Santa Ana-Anaheim-Irvine, CA HUD Metro FMR Area						
2. Kimley-Horn and Associate Analysis – based on apartments listed for rent across ten properties on September 22, 2021.						

### Cost of Replacement of Units

The City of Costa Mesa can also consider the cost of replacing the units with new construction. Construction cost estimates include all hard and soft costs associated with construction in addition to per unit land costs. The analysis assumes the replacement units are apartments with concrete block with steel frame buildings and parking provided on-site. Square footage estimates are based on estimated size of units to be replaced and assume housing units are developed on multi-family zoned properties. Land costs have been determined on a per unit basis.

Table 3-35: Replacement Cost by Unit Type of At-Risk Units					
Size of Unit	Cost Per Square Foot <sup>1</sup>	Average Square Foot/Unit <sup>2</sup>	Replacement Cost/Unit <sup>3</sup>	Number of Units	Total Replacement Cost
Efficiency	131.24	508	\$66,670	0	\$0
1-Bedroom	131.24	761	\$99,874	75	\$7,490,523
2-Bedroom	131.24	1,080	\$141,739	0	\$0
3-Bedroom	131.24	1,390	\$182,424	0	\$0
4-Bedroom	131.24	N/A	N/A	0	\$0
TOTAL					\$7,490,523
Source:					
1. International Code Council – August 2020 Report.					
2. Kimley-Horn and Associate Analysis – based on apartments listed for rent across ten properties on September 22, 2021.					
3. Includes financing and land acquisition costs of \$30,000 per unit.					



### *Resources for Affordable Housing Units*

A variety of programs exist to help cities acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available:

- **Community Development Block Grant (CDBG)** – CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment and economic opportunity for principally low- and moderate-income persons. Eligible activities include administration, fair housing, energy conservation and renewable energy sources, assistance for economic development, public facilities and improvements and public services.
- **HOME Investment Partnership** – Local jurisdictions can receive funds by formula from the Department of Housing and Urban Development (HUD) to increase the supply of decent, safe, sanitary, and affordable housing to lower income households. Eligible activities include housing acquisition, rehabilitation, and development, homebuyer assistance, and rental assistance.
- **Section 8 Rental Assistance Program** – The Section 8 Rental Assistance Program provides rental assistance payments to owners of private, market rate units on behalf of very low-income tenants, senior citizens, disabled and/or handicapped persons, and other individuals for securing affordable housing.
- **Section 202/811 Program** – Non-profit and consumer cooperatives can receive no-interest capital advances from HUD under the Section 202 program for the construction of very low-income rental housing with the availability of supportive services for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities and immediate care facilities. The capital advance funding can also provide project rental assistance for the properties developed using the funds. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.
- **California Housing Finance Agency (CalHFA) Multifamily Programs** – CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation of new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Loan program which provides acquisition/rehabilitation and permanent loan financing designed to preserve or increase the affordability status of existing multifamily housing projects.
- **Low-Income Housing Tax Credit (LIHTC)** – This program provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to those with high tax liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.
- **California Community Reinvestment Corporation (CCRC)** – The California Community Reinvestment Corporation is a multifamily affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.



### *Qualified Entities for Preservation of Affordable Housing Units*

The following organizations may potentially assist in preserving future at-risk units:

- Jamboree Housing Corporation
- Irvine Housing Opportunities, Inc.
- Bridge Housing Corporation
- The Irvine Company
- Orange County Housing Authority
- Housing Corporation of America
- Southern California Housing Development Corporation
- Century Housing

### *Quantified Objectives*

Housing Element law requires that cities establish the maximum number of units that can be preserved over the planning period. The City's objective is to preserve the 75 affordable housing units "at-risk" of converting to market rate through policy programs provided in **Chapter 4: Housing Plan**.

### **SB 330**

Effective January 1, 2020, Senate Bill 330 (SB 330) aims to increase residential unit development, protect existing housing inventory, and expedite permit processing. Under this legislation, municipal and county agencies are restricted in ordinances and policies that can be applied to residential development. The revised definition of "Housing Development" now contains residential projects of two or more units, mixed-use projects (with two-thirds of the floor area designated for residential use), transitional, supportive, and emergency housing projects. SB330 sets a temporary 5-year prohibition of residential density reduction associated with a "housing development project", from January 1, 2020, to January 1, 2025. For example, during this temporary prohibition, a residential triplex cannot be demolished and replaced with a duplex as this would be a net loss of one unit.

The City is committed to making diligent efforts to engage underrepresented and disadvantaged communities in studying displacement.

## **4. Assessment of Contributing factors to Fair Housing in Costa Mesa**

As identified by the AI and the above analysis the City of Costa Mesa experiences the following local contributing factors to fair housing:

- **Housing Discrimination** – The 2020 AI identified housing discrimination as an impediment to fair housing choice in the City. The AI reports that 609 households in Costa Mesa received fair housing services relating to general housing issues and discrimination allegations. The Fair Housing Foundation (FHF) received 65 housing discrimination inquiries with 9 based on physical or mental disability, 8 related to race, 2 related to national origin, 2 related to gender, 1 related to sexual orientation, and 5 related to familial status.
  - Through CDBG funding the City contracts with the Fair Housing Foundation to provide educational and support services to persons who experience housing discrimination in Costa Mesa.



- **Racial and Ethnic Segregation** – The Analysis above identifies moderate segregation through the dissimilarity index analysis. Persons who identify as Hispanics, Asian, Native Hawaiian, American Indian, and Black experience over 30 percent dissimilarity with the white population in Costa Mesa. Additionally, while the R/ECAP analysis did not identify R/ECAPs in the City, there are two racially and ethnic concentrated areas of poverty near the City consisting of primarily Hispanic and Asian population.
  - During the AI report period, the City distributed literature on fair housing in English, Spanish, and Vietnamese to target neighborhoods and in conjunction with other neighborhood improvement efforts. This information was also provided at workshop events, at community centers, and at City Hall.
  - The City will continue to outreach specifically to low and very low-income residents as well as considered targeted outreach to residents with moderate and high levels of segregation,
- **Unfair Lending** – The Lending Analysis identifies lower rates of home loan approval for moderate, low, and very low-income residents. Additionally, applicants in Costa Mesa who identify as Black experience both lower rates and home loan approval and purchase and higher rates of home loan denial, indicating disparity in access to funding.
  - Currently, the City does not offer homebuyer assistance, but the AI reports that information on housing rehab programs are available on the City's website. The City will continue to provide important ownership information on the City's website. Costa Mesa recognizes that an educated community is an empowered commitment and will consider target education and outreach about loan purchase to residents.
- **Overcrowding** – the Analysis of Existing Housing Needs in Costa Mesa identified a significantly higher percentage of renters who experience overcrowding in the City than in the County and the State. Overcrowding can be an indicator of multi-generational living, however in renter ship it is often an indicator that there are not sufficient affordable housing options causing residents to increase the number of persons per unit to lower the overall cost of housing. Overcrowding may also indicate a lack of adequate housing unit types available to residents with large families. While the City does not build housing, they will work with developers and interested parties to increase feasibility and opportunities for both affordable housing and multigenerational housing.

## 5. Analysis of Sites Pursuant to AB 686

AB 686 requires that jurisdictions identify sites throughout the community in a manner that is consistent with its duty to affirmatively further fair housing. The site identification requirement involves not only an analysis of site capacity to accommodate the RHNA (provided in **Appendix B**), but also whether the identified sites serve the purpose of replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

**Figures 3-16** through **3-18** below identify the sites to accommodate future housing, as identified in the adequate sites analysis, overlaid on demographic data using the 2019 American Community Survey 5-Years Estimates.

- **Figure 3-16** – Costa Mesa Proposed RHNA Sites, Hispanic/Latino, 2019
- **Figure 3-17** – Costa Mesa Proposed RHNA Sites, Non-White Population, 2019





- **Figure 3-18 – Costa Mesa Proposed RHNA Sites, Low and Moderate Income, 2019**

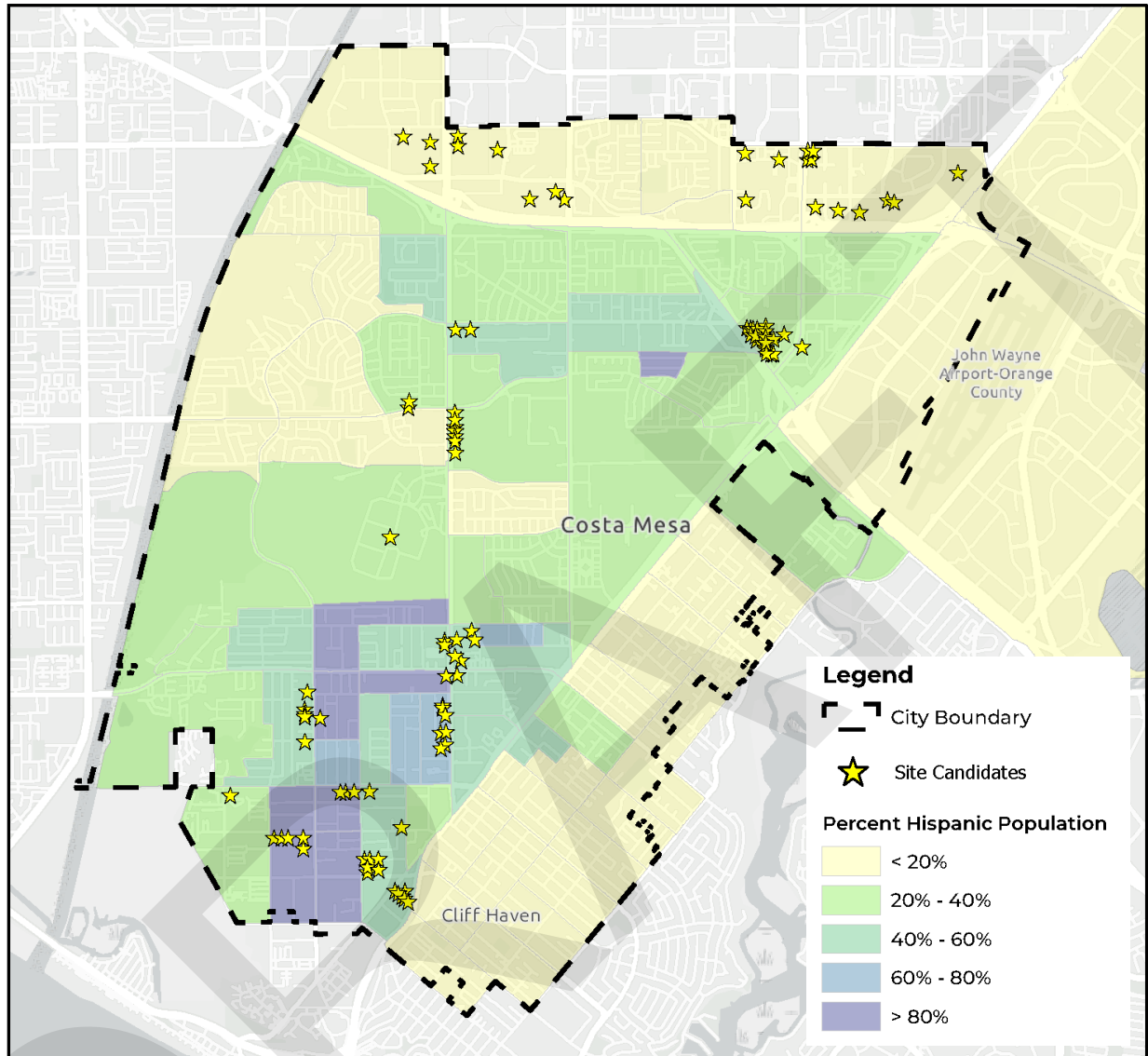
**Figure 3-16** shows the proposed candidate sites to meet the RHNA for Costa Mesa in relation to the location of residents of Hispanic origin. These sites take into consideration access to vital goods, services, and public transportation and are therefore ideal areas for the City to focus much of its future housing growth. It is anticipated that accessory dwelling unit (ADU) growth, including growth for affordable ADUs, will occur in the less dense areas of the community. **Figure 3-16** shows the following findings:

- 22 proposed sites to accommodate the RHNA allocation (totaling 10,385 potential units, or 62.3% of the total potential units) are located within block groups that have a percentage of the population that identifies as Hispanic which is less than 20 percent. Of those units, 2,028 are proposed as affordable to low and very low incomes.
- 29 proposed sites to accommodate the RHNA allocation (totaling 3,594 potential units, or 21.6% of the total potential units) are located within block groups that have a percentage of the population that identifies as Hispanic between 20 and 40 percent. Of those units, 1,288 are proposed as affordable to low and very low incomes.
- 29 proposed sites to accommodate the RHNA allocation (totaling 1,697 potential units, or 10.2% of the total potential units) are located within block groups that have a percentage of the population that identifies as Hispanic between 40 and 60 percent. Of those units 524 are proposed as affordable to low and very low incomes.
- 7 proposed sites to accommodate the RHNA allocation (totaling 207 potential units, or 1.2% of the total potential units) are located within block groups that have a percentage of the population that identifies as Hispanic between 60 and 80 percent. Of those units, 58 are proposed as affordable to low and very low incomes.
- 10 proposed sites to accommodate the RHNA allocation (totaling 790 potential units, or 4.7% of the total potential units) are located within block groups that have a percentage of the population that identifies as Hispanic greater than 80 percent. Of those units, 229 are proposed as affordable to low and very low incomes.

The data shows that the proposed candidate sites to meet the very low and low-income RHNA allocation are evenly dispersed throughout the community with an emphasis on locating units where there is a high level of access to important public services and transit. The distribution of potential units does not disproportionately impact areas with larger concentrations of the Hispanic population.



Figure 3-16: Sites Proposed to Accommodate RHNA and Percent Population Hispanic, Costa Mesa





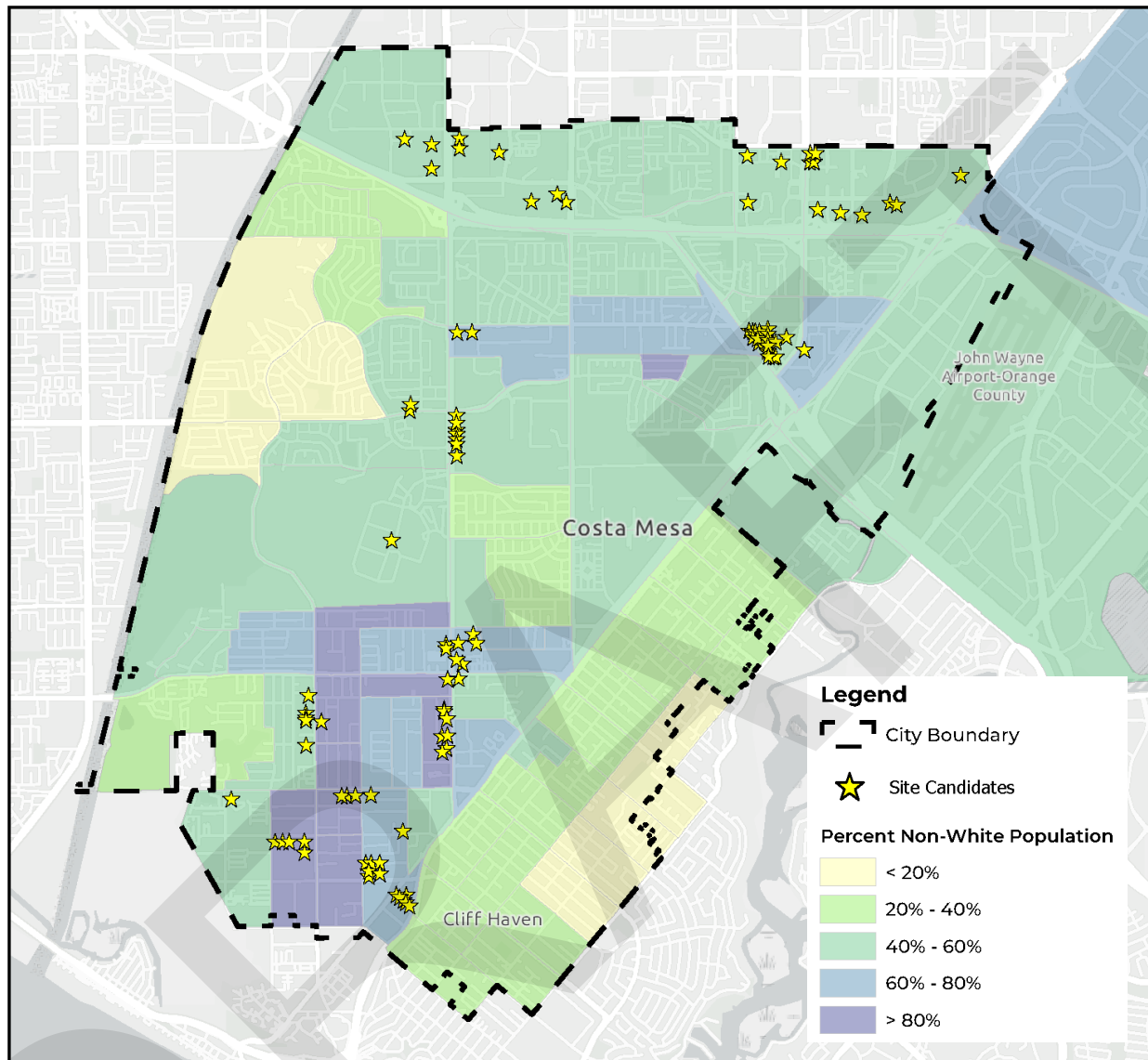
**Figure 3-17** shows the proposed candidate sites to meet the RHNA for Costa Mesa in relation with census data showing the percentage of the population within each block group that is Non-white. **Figure 3-17** shows the following findings:

- 56 proposed sites to accommodate the RHNA allocation (totaling 14,222 potential units, or 85.3% of the total potential units) are located within block groups that have a percentage of the population that identifies as Non-White between 40 and 60 percent. Of those units, 3,849 are proposed as affordable to low and very low incomes.
- 24 proposed sites to accommodate the RHNA allocation (totaling 1,454 potential units, or 8.7% of the total potential units) are located within block groups that have a percentage of the population that identifies as Non-White between 60 and 80 percent. Of those units, 455 are proposed as affordable to low and very low incomes.
- 17 proposed sites to accommodate the RHNA allocation (totaling 997 potential units, or 6.0% of the total potential units) are located within block groups that have a percentage of the population that identifies as Non-White greater than 80 percent. Of those units, 287 are proposed as affordable to low and very low incomes.

The data shows that the proposed candidate sites to meet the very low and low-income RHNA allocation are evenly dispersed throughout the community with an emphasis on locating units where there is a high level of access to important public services and transit. The distribution of potential units does not disproportionately impact areas with larger concentrations of Non-white populations.



Figure 3-17: Proposed Sites to Accommodate RHNA and Percent Population Non-White, Costa Mesa







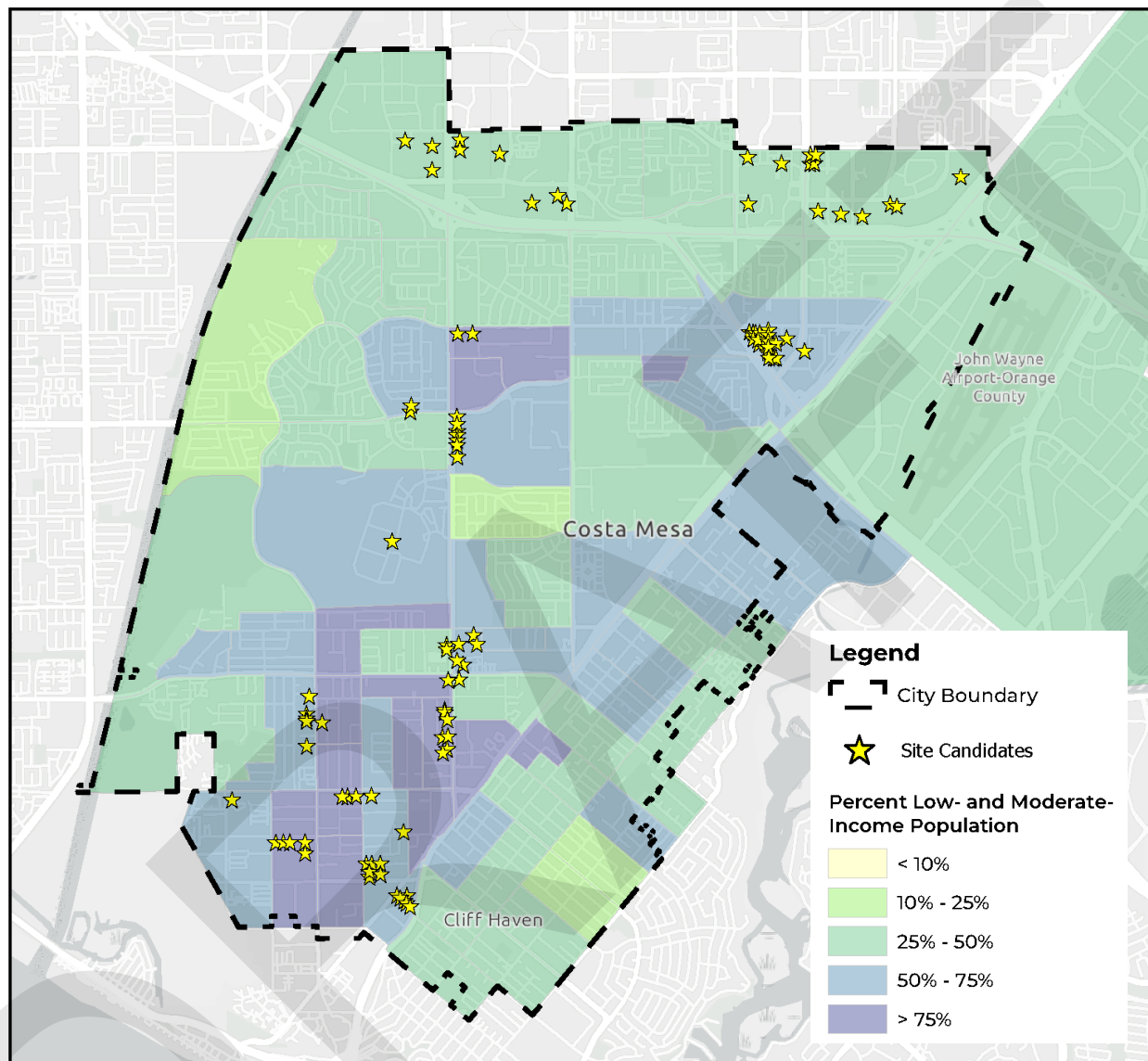
**Figure 3-18** shows location of proposed candidate sites to meet the RHNA for Costa Mesa in in comparison with census data showing the percentage of the population within each block group who is categorized as low income or moderate by the American Community Survey. **Figure 3-18** shows the following findings:

- 25 proposed sites to accommodate the RHNA allocation (totaling 10,499 potential units, or 63.0% of the total potential units) are located within block groups that have a percentage of the population that identifies as low-and moderate-income between 25 and 50 percent. Of those units, 2,522 are proposed as affordable to low and very low incomes.
- 53 proposed sites to accommodate the RHNA allocation (totaling 4,989 potential units, or 29.9% of the total potential units) are located within block groups that have a percentage of the population that identifies as low-and moderate-income between 50 and 75 percent. Of those units, 1,728 are proposed as affordable to low and very low incomes.
- 19 proposed sites to accommodate the RHNA allocation (totaling 1,185 potential units, or 7.1% of the total potential units) are located within block groups that have a percentage of the population that identifies as low-and moderate-income greater than 75 percent. Of those units, 341 are proposed as affordable to low and very low incomes.

The data shows that the proposed candidate sites to meet the very low and low-income RHNA allocation are evenly dispersed throughout the community with an emphasis on locating units where there is a high level of access to important public services and transit. The distribution of potential units provides increased opportunities for low-income housing in areas with higher rates of low-income persons.



Figure 3-18: Proposed Sites to Accommodate RHNA and Percent Population Low and Moderate-Income, Costa Mesa





## 6. Analysis of Fair Housing Priorities and Goals

To enhance mobility and promote inclusion for protected classes, the chief strategy included in this Housing Element is to provide sites suitable for affordable housing in high-resource, high-opportunity areas, as demonstrated by the analysis of the housing resource sites contained in Chapter 3: Housing Resources. Other programs that affirmatively further fair housing and implement the AI's recommendations include:

- **PROGRAM 2A:** Inclusionary Housing Ordinance
- **PROGRAM 2B:** Affordable Housing Development
- **PROGRAM 2C:** Supportive Services for Persons with Special Needs
- **PROGRAM 2D:** Facilitate Development of Senior Housing Options
- **PROGRAM 2E:** Encourage Development of Housing Options for Large-Family Households
- **PROGRAM 2F:** Persons with Physical and Developmental Disabilities
- **PROGRAM 2H:** Farmworker Housing
- **PROGRAM 4A:** Fair Housing
- **PROGRAM 4B:** Rental Housing Assistance
- **PROGRAM 4D:** Fair Housing Assistance
- **PROGRAM 4E:** Low Barrier Navigation Centers
- **PROGRAM 4F:** Homeless Shelter

## F. Housing Resources

### 1. Regional Housing Needs Allocation

This section of the Housing Element provides an overview of the resources available to the City to meet the Regional Housing Needs Allocation (RHNA). The City of Costa Mesa is required to plan for the following 2021-2029 RHNA allocation:

#### Future Housing Needs

Future housing need refers to the share of the regional housing need that has been allocated to the City. The State Department of Housing and Community Development (HCD) has supplied a regional housing goal to the Southern California Association of Governments (SCAG). SCAG was then required to allocate the housing goal to each jurisdiction within the region through a RHNA Plan. In allocating the region's future housing needs to jurisdictions, SCAG is required to take the following factors into consideration pursuant to Section 65584 of the State Government Code:

- Market demand for housing;
- Employment opportunities;
- Availability of suitable sites and public facilities;
- Commuting patterns;
- Type and tenure of housing;
- Loss of units in assisted housing developments;
- Over-concentration of lower income households; and
- Geological and topographical constraints.



HCD, through a determination process, allocates units to each region across California. It is then up to each region to determine a methodology and process for allocating units to each jurisdiction within that region. SCAG adopted its Regional Housing Needs Allocation (RHNA Plan) in March 2021. This RHNA covers an 8-year planning period (starting in 2021) and addresses housing issues that are related to future growth in the region. The RHNA allocates to each city and county a “fair share” of the region’s projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the SCAG region, so that every community provides an opportunity for a mix of housing for all economic segments.

Costa Mesa’s share of the SCAG regional growth allocation is 11,760 new units for the current planning period (2021-2029). **Table 3-36: Housing Needs for 2021-2029**, indicates the City’s RHNA need for the stated planning period.

Table 3-36: Housing Needs for 2021-2029		
Income Category	Percent of Median Family Income (MFI)	Costa Mesa’s RHNA Allocation for the 2021-2029 Planning Period
Very Low Income	0-50% MFI	2,919 units
Low Income	51-80% MFI	1,794 units
Moderate Income	81-120% MFI	2,088 units
Above Moderate Income	>120% MFI	4,959 units
TOTAL		11,760 units

### Residential Sites Inventory

**Appendix B** of the Housing Element includes the required site analysis tables and site information for the vacant and non-vacant properties to meet the City’s RHNA need through the 2021-2029 planning period. The following discussions summarize the City’s site inventory and adequate sites identification strategy.

### Adequacy of Sites for RHNA

The City of Costa Mesa conducted a thorough analysis of all parcels within the City to determine which areas may have the most realistic potential to redevelop for residential uses within the planning period. The analysis included an in depth look at the following site characteristics for each parcel within the inventory:

- Address
- Ownership
- Zoning (including Specific Plan areas, Urban Plans, and Overlays, if applicable)
- Size (Net developable acres removing known development constraints)
- Density
- Vacancy status
- Previous Housing Element identification
- Potential Development Capacity (Dwelling Units) by income category
- Description of existing use





Most sites identified meet AB 1397 requirements for size as well as infrastructure requirements for available utility service. There is a further analysis regarding consolidation of small sites as well as the development potential of large sites within **Appendix B**.

The City of Costa Mesa has a total 2021-2029 RHNA allocation of 11,760 units. The Housing Element update lists sites, including accessory dwelling units, that can accommodate approximately 17,531 additional units. **Table 3-37** shows a summary of the City's overall capacity to accommodate its RHNA. Overall, the City has adequate capacity to accommodate its 2021-2029 RHNA with a 149% buffer in excess of the City's RHNA need.

Table 3-37: Summary of RHNA Status and Sites Inventory					
	Very Low Income	Low Income	Moderate Income*	Above Moderate Income	Total
RHNA (2021-2029)	2,919	1,794	2,088	4,959	11,760
Units Constructed in Projection Period (Begins June 31, 2021)	0	0	0	0	0
Remaining Unmet RHNA	2,919	1,794	2,088	4,959	11,760
Sites Inventory					
Fairview Developmental Center	575	345	690	690	2,300
Sakioka Lot 2	120	60	120	900	1,200
Home Ranch	221	110	221	1,663	2,215
Senior Center Housing Project	40	20	0	0	60
Pacific Arts Plaza and Town Center	53	27	53	402	535
<b>Total Potential Capacity - Existing Sites</b>	<b>1,009</b>	<b>562</b>	<b>1,084</b>	<b>3,655</b>	<b>6,310</b>
Overlays, Specific Plans, and Urban Plans					
North Costa Mesa Specific Plan	1,269	632	1,269	3,265	6,435
SoBECA Urban Plan	141	67	141	383	732
Mesa West Bluff Urban Plan	208	100	208	555	1,071
19 West Urban Plan	123	59	123	335	640
Harbor Mixed Use Overlay	286	135	286	778	1,485
<b>Total Potential Capacity - Overlays, Specific Plans, and Urban Plans</b>	<b>2,027</b>	<b>993</b>	<b>2,027</b>	<b>5,316</b>	<b>10,363</b>
Projected ADU Construction					
Projected ADU Construction	215	369	257	17	858
Sites Inventory Total					
Total Units towards RHNA	3,251	1,924	3,368	8,988	17,531
Total Capacity Over RHNA Categories	111%	107%	161%	181%	149%

### *Redevelopment of Non-Vacant Sites for Residential Uses*

The City of Costa Mesa does not have sufficient vacant land available to accommodate fifty percent of their low/very-low income RHNA and are reliant on non-vacant sites to meet their RHNA need. To accommodate the need at all income levels, the City has analyzed sites within non-residentially zoned areas that permit residential development through Specific Plans, Urban Plans, or Overlays. The City also evaluated and



included parcels not currently within Urban Plans which will be added when those Urban Plans are amended.

As part of the candidate housing sites analysis, the City has evaluated recent projects that have redeveloped within non-residentially zoned areas that included residential units. Those projects, including the zoning, use prior to redevelopment, and a project analysis of the approved development plan, are shown in **Table 3-38**. The City's analysis showed that prior uses on these redeveloped sites were similar in nature to the existing uses on sites identified within the sites inventory in **Table B-3**.

The City has also conducted a parcel specific analysis of existing uses for each of the identified sites. This analysis of existing uses, including indicators of a likelihood that the existing use will redevelop within the next eight years, are provided in **Table B-3**. This analysis is based on information readily available to the City and research that can be found through online research. The City does not always have access to private lease information but has included information that property owners have shared regarding individual sites.

The following residential development projects have been constructed on parcels that were either non-residentially zoned or had an existing non-residential use on-site within Costa Mesa.

<b>Project Address/ APN</b>	<b>Dwelling Units</b>	<b>Zoning</b>	<b>Use Prior to Redevelopment</b>	<b>Project Analysis</b>
125 Baker St.	240	PDR - HD	Industrial use	This development is a 240-unit wrap apartment complex on a 4.2-acre parcel in a largely industrial and office area of Costa Mesa. The project was built at a density of approximately 57 du/ac. The site was previously a light industrial and office uses use similar to some of the identified candidate housing sites. The project was rezoned from CL to PDR-HD.
1957 Newport Blvd.	38	PDR - HD	Self-storage use and trailer storage lot	This development is a 38-unit condominium project along the Newport Blvd commercial corridor. The site was previously a self-storage and trailer storage use similar to some of the identified candidate housing sites. The project was rezoned from C1 to PDR-HD.
2277 Harbor Blvd.	200	PDR - HD	Motel use	This development is a 200-unit apartment complex on a previous motel use site. This development is located on Harbor Boulevard and shares many existing characteristics with sites identified within this corridor in the candidate sites



Table 3-38: Example Development of Non-Vacant Sites for Residential Uses

Project Address/ APN	Dwelling Units	Zoning	Use Prior to Redevelopment	Project Analysis
				inventory. The project was rezoned from C1 to PDR-HD.
671 W. 17 <sup>th</sup> St.	177	MG	Brownfield development (Argotech Industries)	This development is 177 live/work and loft residential units and was developed on a site that was previously largely surface parking area. This site is in the Mesa West Urban Plan area and adjacent to some of the sites identified within the candidate housing sites analysis. This project also shares many existing use characteristics with those identified sites.
1620 and 1644 Whittier Ave.	89	MG	Industrial use (Ametek Aerospace and Defense)	This development is 89 live/work residential units on a former industrial use site in the Mesa West Bluffs Urban Plan area. Similar to 671 W. 17 <sup>th</sup> Street, this site shares many geographic and existing use characteristics with sites identified in the candidate housing sites analysis.
1500 Mesa Verde Drive East	215	PDC	Vacant commercial area	This development is 215 senior apartments developed at four stories along Harbor Boulevard directly adjacent to existing commercial uses. This project is an example of the types of horizontal mixed-use projects that the City anticipates may develop along Harbor Boulevard and matches assumptions made in the Housing Element.
1527 Newport Boulevard	40	C2 & MG	Industrial uses, including boat and automobile repair	This development is 40 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the 19 West Urban Plan area and previous uses are consistent with sites identified within the sites inventory.
132, 134, 140 Industrial Way	22	C2 & MG	Industrial uses, including boat and automobile repair	This development is 22 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the 19 West Urban Plan area and previous uses are consistent with sites identified within the sites inventory.
1677-1985 Superior Avenue	49	C2 & MG	Gas station and a mixture of	This development is 49 live/work units with ground floor commercial/office workspaces and two stories above for residential. This



Table 3-38: Example Development of Non-Vacant Sites for Residential Uses

Project Address/ APN	Dwelling Units	Zoning	Use Prior to Redevelopment	Project Analysis
			commercial and industrial uses.	development is in the 19 West Urban Plan area and previous uses are consistent with sites identified within the sites inventory.
2025 Placentia Avenue	36	MG	Commercial and industrial uses, including storage and repair for boats	This development is 36 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the Mesa West Bluffs Urban Plan area along Placentia Avenue and previous uses are consistent with sites identified within the sites inventory.
2095 Harbor Boulevard	29	PDC	Commercial buildings and gas station which had been vacant for several years.	This development is 28 single-family homes with live/work potential, including ground floor commercial/office workspaces and two stories above for residential. This development is in the Harbor Mixed Use Urban Plan area along Harbor Avenue and previous uses are consistent with sites identified within the sites inventory.
1672 Placentia Avenue	32	MG	Boat yard and industrial building	This development is 32 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the Mesa West Bluffs Urban Plan area along Placentia Avenue and previous uses are consistent with sites identified within the sites inventory.

This analysis of recent sample development projects shows that residential development occurs within the City on sites that have existing non-residential uses. As indicated in the analysis notes, these example sites share many characteristics with the candidate housing sites in **Table B-3**. This demonstrates that there is development potential on these sites as well as interest in developing these types of sites for residential uses within Costa Mesa.

#### **Lease Analysis**

Existing lease agreements on infill and non-vacant properties present a potential impediment that may prevent residential development within the planning period. State law requires the City to consider lease terms in evaluating the use of non-vacant sites, however the City does not have access to private party lease agreements or other contractual agreements amongst private parties. Additionally, COVID-19 has increased the potential number of vacancies, especially within commercial uses. As part of the sites analysis for very-low and low-income sites, the City conducted discussions with property owners who felt comfortable sharing this information and came forward as interested in developing their properties for housing through the planning period. Notes regarding discussion are found in **Table B-3**.





### *Regulatory Incentives*

Density bonus is a State law which permits increased density, a lowered parking standard, and concessions for projects which provide a certain percentage of their dwelling units as deed restricted to residents at the very-low, low, and moderate-income levels. Projects within infill areas such as Costa Mesa often utilize density bonus provisions to construct affordable units. The City understands that existing land use policy may not necessarily contribute to the development of housing. Therefore, regulatory incentives can be helpful in bringing housing units to the market. The City has committed through **Program 2I**, to annually update the local density bonus ordinance to be consistent with State law if changes are adopted at the State level.

The City has created programs expressly written to address the analysis and potential development of additional regulatory incentives to incentivize the creation of affordable housing. As stated in **Program 2B**, these may include, but are not limited to, the following for projects that propose a percentage of their housing units as affordable:

- Deferment of fees
- Priority Processing
- Modified development standards (above and beyond what is permitted under Density Bonus)

### *Development Trends and Current Market Demand for Existing Uses*

The existing uses within the identified candidate housing sites are primarily commercial, light industrial, and office/business park. The following excerpts are from the Winter 2021 Allen Matkins/UCLA Anderson Forecast Commercial Real Estate Survey.

#### *Office Space Markets*

The COVID-19 pandemic took a toll on traditional office uses when the majority of California's office workforce was required to work from home. This taught employees and employers that remote work was possible and may have sparked a trend of more remote work options in a post-COVID world. An excerpt from the above referenced study indicated that "survey participants are confident about the growth in demand for office space between 2020 and 2023, they are pessimistic about the return to investment in new space today."<sup>8</sup>

This indicates that while we may return to a more normal work setting in the short term, there is likely to be less investment going forward in new office space as employers look to downsize the leasable space they occupy and expand flexible work options to keep employees happy and hard costs down. It is likely this trend occurs into the next decade, opening up existing office uses not operating at full occupancy for residential redevelopment opportunities.

#### *Retail Space Markets*

In regard to future retail development trends and demand, the above referenced study noted the following observations from their analysis on participant responses. "During the previous economic expansion, retail

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<sup>8</sup> Allen Matkins/UCLA Anderson Forecast Commercial Real Estate Survey, Winter 2021,



space struggled. The current recession tripled down on that struggle. First, the loss of household income and the shelter-in-place policies reduced current demand for brick-and-mortar retail. Second, the inability to physically frequent many retail establishments created a new set of online shoppers, and third, increases in the savings rate on the part of households in response to the recession portends less individual consumption. To be sure, some activities will be coming back, particularly personal services and experiential retail. But now, more marginal properties will not find tenants willing to pay sufficient rent to keep the properties in the retail space.”<sup>9</sup>

While COVID-19 had a large impact on retail in the immediate future, overall market trends pointed to a decline in the need for brick-and-mortar retail spaces going back over the past decade. The rise in online retailers such as Amazon and the shift in focus to online sales of major retailers like Target, Walmart, and others have kept shoppers in their homes and away from smaller mom and pop retailers as well. Experiential uses such as restaurants and dining provide more incentive and are likely to bounce back quickly following the removal of COVID-19 protocols. These uses do well in walkable, mixed-use settings with a strong flow of permanent consumers. Residential uses, especially at higher densities, present an opportunity to support future commercial growth including supporting smaller mom and pop retailers in infill settings such as Costa Mesa.

### *Development Trends*

State, regional, and local policy direction promoting the development of housing at all levels to meet existing housing shortages, especially for low-income families, has further driven up the demand for housing. The redevelopment of existing non-vacant land, both in residential and non-residential zones, for multi-family rental and for sale housing provides a realistic opportunity to create affordable housing using the resources available within communities such as Costa Mesa. As a result, much of Costa Mesa’s future growth will be on infill opportunities within the City. To facilitate this, the City has proposed actions to evaluate and revise the development standards and permitted uses within many key areas within the City. This increases the developable area within the City where residential development can occur and promotes development at densities which may support affordable housing.

As stated previously, much of Costa Mesa’s anticipated future housing growth is expected to occur on infill sites, or sites with existing uses. Development on non-vacant parcels was analyzed to determine a reasonable development capacity based on known constraints and historic development patterns within each of the different zones. **Table B-3 in Appendix B** contains a detailed description of each existing use. Many of the existing uses were found to be similar with recent redevelopment examples in Costa Mesa. **Appendix A** also includes outreach to property owners and letters of owner support/developer interest for specific parcels identified in the Housing Element.

### *Accessory Dwelling Unit Productions*

Accessory dwelling units, or ADUs) are housing units which may be developed in addition to an existing single- or multi-family residential use. These housing units can be free-standing or attached to a primary

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<sup>9</sup> Allen Matkins/UCLA Anderson Forecast Commercial Real Estate Survey, Winter 2021,



structure and are intended to provide additional housing on an existing residential lot. Often ADUs provide housing for family members or are rented to members of the community.

One of the proposed methods for meeting the City's RHNA at all income levels is through the production of ADUs. A number of State Assembly and Senate Bills were passed in 2018 and 2019 that promote development of ADUs and remove barriers that may inhibit their development within communities. The following is a summary of those bills:

- AB 68 and 881
  - Prohibit minimum lot size requirements
  - Cap setback requirements at 4', increasing the size and location opportunities for ADUs
  - Prohibit the application of lot coverage, FAR, or open space requirements that would prevent an 800 square foot from being developed on a lot
  - Remove the need for replacement parking when converting an existing garage to an ADU
  - Limit local discretion in establishing min and max unit size requirements
  - Mandate a 60-day review period for ADU applications through a non-discretionary process
- SB 13
  - Prohibit owner-occupancy requirements for 5 years
  - Reduce impact fees applicable to ADUs
  - Provide a program for homeowners to delay compliance with certain building code requirements that do not relate to health and safety
- AB 670
  - Prohibits Homeowner's Associations (HOAs) from barring ADUs

As a result of new legislation and an increased effort by the City to promote ADUs, the City has seen an increase in applications so far in 2021. In 2018, the City permitted 4 ADUs, followed by 6 in 2019 and a 217% increase in 2020 of 19. Through June 20, 2021, the City has approved 12 ADUs for development, 2 of which are affordable. Additionally, the City has received 24 applications for ADUs so far in 2021. The City is still processing these applications, which will likely receive permits in 2021. In accordance with State law, ADUs are allowed in all zones that allow single dwelling unit or multiple dwelling unit development. Junior Accessory Dwelling Units (Jr ADUs) are permitted only in single dwelling unit zones.

The City of Costa Mesa has determined based on past performance and the SCAG/HCD approved methodology that it is appropriate to anticipate the development of 858 accessory dwelling units from 2021 to 2029. Approximately 583 of these units are anticipated to be affordable at the low and very-low-income categories. 257 ADUs are anticipated to be affordable at the moderate-income level and 18 ADUs are anticipated at the above moderate-income level. This estimation

To assist in reaching the City's ADU development projections, Costa Mesa has included **Program 3E**, which explores actions the City will take to promote and incentivize the development of ADUs during the planning period. As outlined in the program, these actions may include:



- Coordinating with the County on implementation of a permit-ready ADU program
- Waiving specific permitting fees to make ADU development more feasible
- Creating an expedited plan check review process to ease the process for homeowners
- Explore potential State and Regional funding sources for affordable ADUs

### **Summary of Sites Inventory and RHNA Obligations**

As described in this section and in further detail in **Appendix B**, the City of Costa Mesa has identified adequate sites to accommodate the 2021-2029 RHNA obligation of 11,760 housing units. These candidate housing sites, in combination with the programs stated in **Chapter 4**, will help to facilitate the development of future housing within the city.

## **G. Financial Resources**

Providing an adequate supply of decent and affordable housing requires funding from various sources, the City has access to the following funding sources.

### **1. Section 8 Housing Choice Voucher**

The Section 8 Housing Choice Voucher program is a Federal government program to assist very low-income families, the elderly, and the disabled with rent subsidy payments in privately owned rental housing units. Section 8 participants are able to choose any housing that meets the requirements of the program and are not limited to units located within subsidized housing projects. They typically pay 30 to 40 percent of their income for rent and utilities. The Orange County Housing Authority (OCHA) administers Section 8 Housing Choice vouchers within the City of Costa Mesa. OCHA reports that as of June 30, 2014, a total of 640 vouchers were granted to Costa Mesa households.

### **Community Development Block Grants (CDBG)**

The Community Development Block Grant (CDBG) program provides annual grants on a formula basis to cities to develop viable urban communities by providing a suitable living environments and by expanding economic opportunities, principally for low- and moderate-income persons (up to 80 percent AMI). CDBG funds can be used for a wide array of activities, including:

- Housing rehabilitation;
- Lead-based paint screening and abatement;
- Acquisition of buildings and land;
- Construction or rehabilitation of public facilities and infrastructure, and;
- Public services for low-income households and those with special needs.

In order to receive CDBG funding, the City of Costa Mesa is required to approve and implement the 2020-2024 Consolidated Plan. This is a planning document that identifies the City's housing and community needs and outlines a strategy to address these needs utilizing funds from the U.S. Department of Housing and Urban Development (HUD).

HUD also requires the City to prepare a One-Year Action Plan for each of the five years covered by the Consolidated Plan. For the 2020-2021 fiscal year the City of Costa Mesa received \$1,600,000 in CDBG and





HOME funding (including public service grants associated with CDBG) are anticipated to be allocated towards:

- |   |   |
|---|---|
| (1) Housing Rehabilitation  | (7) City of Costa Mesa Senior Social Services |
| (2) Tenant-Based Rental Assistance (TBRA)                             | (8) Community Senior Serv Meal Programs       |
| (3) HOME Administration   | (9) Fair Housing Foundation                   |
| (4) Community Housing Development Organization (CHDO) Housing Reserve | (10) Youth Employment Services Program        |
| (5) Special Housing Code Enforcement                                  | (11) CDBG Administration                      |
| (6) Mercy House – Bridge Shelter                                      | (12) Families Forward                         |

### **HOME Investment Partnership Program (HOME)**

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership by low-income households.

As with CDBG funding, HOME funds require the City complete a Consolidated Plan and a One-Year Action Plan. The 2020-2024 Consolidated Plan identifies the following objectives for HOME funds:

#### **High Priority Need:**

- |   |   |
|---|---|
| • Housing rehab: \$275,000                  | • Community Housing Development Organization Reserve: \$180,365 |
| • Tenant Based Rental Assistance: \$150,000 | • Program Admin: \$50,582                                       |

## **2. Opportunities for Energy Conservation**

The primary uses of energy in urban areas are for transportation lighting, water heating, and space heating and cooling. The high cost of energy demands that efforts be taken to reduce or minimize the overall level of urban energy consumption. Energy conservation is important in preserving non-renewable fuels to ensure that these resources are available for use by future generations. There are also a number of benefits associated with energy conservation including improved air quality and lower energy costs.

### **Energy Use and Providers**

Southern California Gas Company (SCG) provides natural gas service for the City. Natural gas is a “fossil fuel” and is a non-renewable resource. Most of the major natural gas transmission pipelines within the City are owned and operated by SCG. SCG has the capacity and resources to deliver gas except in certain situations that are noted in state law. As development occurs, SCG will continue to extend its service to accommodate development and supply the necessary gas lines. Electricity is provided on an as-needed basis to customers within existing structures in the City.

Southern California Edison Company (SCE) is the distribution provider for electricity in Costa Mesa. SCE services an area of 50,000 square miles with a population over 10 million; Costa Mesa represents less than



one percent of the population served by SCE. Currently, SCE has no immediate plans for expansion of infrastructure, as most of the City is built out. However, every year SCE expands and improves existing facilities according to demand and they have indicated that future growth in Costa Mesa as anticipated in the General Plan is within the parameters of the overall projected load growth which they are planning to meet.

### **Energy Conservation**

The City's Conservation Element of the General Plan identify and establish goals and policies for preserving and managing natural resources in the City. The element states that solutions to energy problems can be solved through conservation and through the development of alternate energy sources. Energy suppliers are continuously searching for new and expanded sources of conventional fuels such as oil, gas, and coal. More recently developed fuels, such as nuclear and geothermal, make up a small share of the nation's energy supplies.

The City's Conservation Element states the City does not operate any local utilities related to energy, however, it partners with and supports energy providers to promote sustainable practices through local regulations. The Element also reports that while the national consumption of energy has increased by over 50 percent in the last 30 years, the State of California has remained stable due to conservation campaigns by individuals, businesses, utilities companies, and State and local regulations.

Solar energy is the viable alternate energy source for the City of Costa Mesa. As of January 2020, the State of California requires all new single-family and multi-family homes (up to 3 stories high) include a solar photovoltaic (PV) system as a source of electricity. The California Clean Energy Commission determined this mandate increases the cost of single-family residences by \$8,400, but it saves homeowners and renters about \$80 per month on electricity costs. To further promote the switch to solar energy, the City of Costa Mesa initiated the Go Green Program which waives permit fees for residential solar installations and electric vehicle charging stations.

The Leadership in Energy and Environmental Design (LEED) certification is a world-wide rating system which reviews and rates buildings, communities, and cities on their energy efficiency and conservation strategies. A LEED certified building is rated based on a set of points received and may be rated "certified" at the lowest and "Platinum" at the highest. In 2007, the City of Costa Mesa implemented a Green Building Program aimed at promoting energy efficiency by expediting the permitting process and waive certain fees for LEED certified projects. The City also became the first California city to require all new Municipal buildings be LEED Gold certified. LEED certified buildings are recognized for providing the following:

- Improved productivity and morale amongst workers, recruitment, and higher retention rates;
- Improved indoor environmental quality and air quality;
- Minimized energy and water costs during construction and operation;
- Minimized waste output;
- Pollution prevention; and
- Low-impact materials that last longer and may be non-toxic, recycled, and sustainably produced.



In February 2021, the City of Costa Mesa became the first city in California to achieve a LEED Gold for Cities and Communities certification.

Lastly, the City also abides to Title 24 standards as mandated by the State. Title 24 establishes energy efficiency standards for residential and nonresidential buildings (new structures and additions) to reduce energy consumption. The standards are updated every three years to achieve greater efficiency and reach for new goals.